The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japan Warns Powers "Hands Off" on China Arms and Finance

ARTICLES IN THIS ISSUE

Japan Declares "Protectorate" Over China
Some Far Eastern Olympic Athletic Amenities
Bank of China and Manchurian Trade Issue
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. . . Non-Aggression Treaty and Loan Issues
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U. S.-Japanese Relations as Reflected in the New Philippines Independence Bill *(By the Review's Tokyo Correspondent)*
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The Development of Mining Industry in China . . . . . By Huang Chin-tao

SATURDAY, APRIL 21, 1934 VOLUME 68, NUMBER 8

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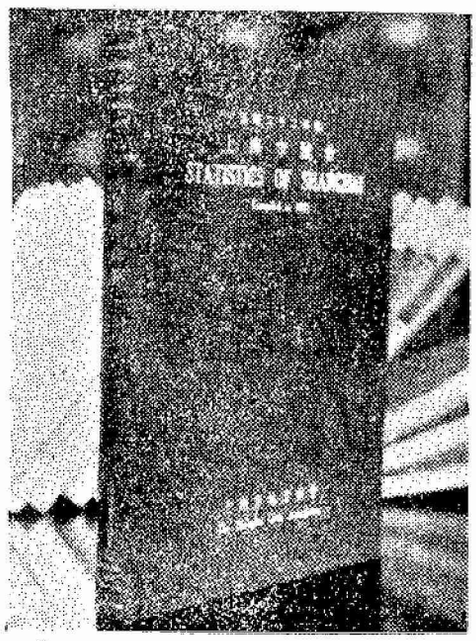

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密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 68 | Shanghai, China, Saturday, April 21, 1934 | Number 8

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTSING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

JAPAN DECLARES "PROTECTORATE" OVER CHINA

A COMPLETE text of the Tokyo Foreign Office declaration of April 17 is not yet available, but the brief extracts cabled to Shanghai by *Reuters* and *Rengo* and published in the local newspapers on Wednesday were sufficient to indicate that the Japan's present rulers think the time has arrived for making a stand on what they term their "Asiatic Monroe Doctrine." Actually it means the declaration of a Japanese military, economic and financial protectorate over China, for the reports from Tokyo said that the spokesman of the Foreign Office had mentioned economic and financial aid to China as well as military equipment in the form of airplanes or otherwise. It amounts to telling China that she cannot take any steps in the direction of reconstructing her national life without the consent of Imperial Japan. In other words China cannot borrow any money abroad for economic and financial reconstruction and she cannot purchase any military equqipment for the defence of her national government against domestic or foreign foes without the approval of the warlords of Tokyo. Whether the Japanese policy is cloaked in the form of an "Asiatic Monroe Doctrine" or a "Japan-Manchukuo-China Bloc," the meaning is the same—Japan has relegated to herself the right of dictating the future development of China—which is tantamount to the establishment of a protectorate.

It is naturally too early to determine what China's reaction to the Japanese declaration will be but those Chinese who apparently thought Japan could be conciliated or circumvented by soft diplomatic words are likely to be disillusioned. There is naturally special significance in the Japanese declaration at this particular time for the situation in north China is rapidly approaching a crisis. Lieut.-Col. Shibayama, Japanese Military Attache at Peiping on April 9 warned the Chinese that the Japanese Army was becoming impatient with China's failure to carry out "certain promises" with respect to the Tangku truce which concluded the Sino-Japanese hostilities in north China. Col. Shibayama's declaration coincided as to time with the arrival of Huang Fu at General Chiang Kai-

shek's headquarters in Nanchang for a discussion of the north China situation. Gen. Huang Fu has issued several ambiguous statements regarding the situation in the north, but behind it all is a scheme for China's recognition of Manchukuo and the acceptance of what amounts to a Sino-Japanese military and economic alliance in north China. It is but natural that these conversations and negotiations, most of them secret, have been accompanied by reports of the early creation of a new regime in north China which will be more favorable to Japan, in other words, another puppet state. Ariyoshi, the Japanese Minister to China, departed for Nanking on Tuesday evening of this week for a conference with Wang Ching-wei, head of the Executive Yuan and concurrently Minister of Foreign Affairs, his object being to obtain China's reply which he intends to take back to Tokyo immediately. Huang Fu in his conversations with Chang Hsueh-liang at Hankow and with Chiang Kai-shek and Wang Ching-wei at Nanchang has undoubtedly made the most of the disturbed situation in north China and undoubtedly has told Nanking officialdom that there is only one way of relieving the tension—Recognize Manchukuo!

In the meantime the Japanese have strengthening their garrisons at the various stations along the Peiping-Mukden railway south of Shanhaikwan, hence it probably will not be many days before the Japanese are running trains directly into Tientsin and Peiping and protecting them enroute with their own garrisons. The re-establishment of postal communications and demarcation of a boundary between north China and Manchukuo will follow as a matter of course.

SOME FAR EASTERN OLYMPIC ATHLETIC AMENITIES

THE Far Eastern Olympic Association has been in existence for more than a dozen years, but four or five years ago the Chinese proposed that the Koreans be admitted to the association and permitted to participate in the biennial meets as a national unit. The Japanese immediately and sternly put a stop to that suggestion by declaring in effect that if any Koreans desired to participate they would either run under the banner of the rising sun or not at all. Whether any Koreans ever have participated, we do not know, but if they have it has not been as Koreans. Then came the creation of the puppet state of Manchukuo and this year a strong Japanese demand that the Manchukuoans be permitted to participate in the forthcoming meet scheduled to be held in Manila. But the Chinese jumped on that particular Japanese suggestion with both feet and announced that if Manchukuo particpated, China would withdraw. The Japanese then charged that the Chinese athletic association had enticed all the Manchurian athletes down to Peiping where they were being trained for the competition under the Chinese banner. As a matter of fact all of the Chinese students formerly enrolled in the large Northeastern University at Mukden, left Manchuria at the time of the Japanese occupation in 1931 and since have been attending school in Peiping. Mukden University which was financed by Marshal Chang Hsueh-liang with an appropriation of $10,000,000 from his father's estate, has since been closed. But to get back to the Olympics, the Japanese athletic federation sent delegates to Manila and thought they had won over the Filipinos to the Japanese proposal that Manchukuo be permitted to send a delegation, the Japanese hoping in this manner to bring pressure on China with a two to one vote, the Far Eastern Federation being composed of China, Japan and the Philippines. In order to settle the issue definitely all three groups sent delegates to a conference which was held in Shanghai two weeks ago. But when a vote was taken the Filipino delegates voted with China against the admission of the puppet Manchukuoans. The Japanese delegates then went home in a huff threatening not only to withdraw from the meet, but also to take reprisals against the Filipinos for allegedly changing their minds. However, after dispatching numerous bombastic and threatening telegrams to both Shanghai and Manila, the Japanese apparently have come to their senses and according to messages from Tokyo on April 16 they have agreed to go on with the meet and send a delegation—without Manchukuo. The Chinese athletic federation, by taking a firm stand, has done what Gen. Chiang Kai-shek and Wang Ching-wei have failed to do—defeated Japan on the matter of recognizing Manchukuo. Of course the Japanese were not sincere in their demands for the admission of the puppets, for there are very few of any Chinese athletes left in Manchuria due to the fact that all of the Chinese colleges have been closed since the Japanese occupation and the former Manchurian students are now enrolled in the Chinese universities south of the Great Wall. What the Japanese hoped to do was to send a *Japanese Political* delegation to the meet and have them parade around Manila with a Manchukuo flag for propaganda effect. But, as stated, the Chinese athletic federation effectively blocked that move. Now if the Chinese athletes can put up an equally good fight in the meet, all will be well.

As for the Filipinos, recent reports from Manila indicate they are none too happy over their initial venture into the maelstrom of Far Eastern politics. Reports in the Japanese newspapers stated the Filipinos were highly incensed at Japanese charges that the Philippine Athletic Association had broken its promise to the Japanese on the Manchukuo issue. The *Manila Herald* declared, "Thanks to China and Japan, the Philippines has just had her first lesson in modern diplomacy. . . Two nations make a mess of something and a third gets the blame."

The *Manila Bulletin* said that the Philippine action had antagonized both China and Japan and intensified international ill-feeling.

BANK OF CHINA AND MANCHURIAN TRADE ISSUE

THE 22-column-long report of the Bank of China which appeared in *The China Press* on April 15 contained much valuable information on financial and economic matters in China, but of most timely interest were the brief references to the effect of the loss of Manchuria on China's domestic economy. The statements were brief but coming from an official of the Bank of China they were of special significance, "Viewing China as a whole, her loss of the Manchurian export trade accentuated the already adverse balance of trade, resulting in a further outflow of gold and silver." The Japanese have maintained in their propaganda spread over the world that since the former Chinese military rulers of Manchuria were practically independent of political control on the part of the authorities of China proper, the loss of Manchuria has not adversely affected China to any appreciable effect. Nothing could be further from the truth, for while it was true that the two Changs, father and son, who ruled Manchuria for so many years did maintain a politically independent attitude and on occasion retained a major portion of the customs and salt revenues, they never went to the extent of splitting Manchuria off from complete financial and economic contact with China, such as prevails today with respect to the Japanese supported puppet state of Manchukuo. It is unfortunate that the officers of the Bank of China did not go into this subject more fully—perhaps they had their own reasons for avoiding an extended discussion—but sufficient was said to indicate the outstanding sore-spot in China's present-day domestic economy.

Some of the outstanding items in the report indicated the truth of the foregoing statements, but first the total figures covering imports and export. Last year China imported goods to the amount of $1,345,567,188 and exported goods to the amount of $611,827,990, leaving an adverse trade balance, or excess of imports amounting to $733,739,198. With the exception of 1932, the first year following the Japanese occupation of Manchuria, the adverse trade balance last year was the greatest in the history of the nation. Since Manchuria is a natural producer of foodstuffs and was China's granary, it is significant to note that last year China imported from abroad agricultural products to the amount of $400,000,000. Not all of these products, which include tobacco and cotton, can be producted economically in Manchuria, but Manchuria can and does produce wheat, experts having stated that the Nonni River valley could easily become the greatest wheat producing area in Asia. But last year China imported wheat from Australia, Canada and the United States to the value of $87,000,000 and flour to the value of $27,000,000. Many parts of Manchuria are regarded as adaptible to the production of sugar-beets, but last year China imported foreign sugar to the value of $42,000,000. Manchuria is the world's greatest producer of soya-beans and soya-bean oil, but owing to the Japanese occupation these items have entirely disappeared from China's customs figures. In 1931, the year of the Japanese occupation, China exported soya-bean oil to the value of $23,000,000. Last year China exported exactly $23 worth. Since Manchuria is primarily an agricultural area the territory always showed a great excess of exports over imports and this helped to balance the national economy, but this was all ended by the Japanese occupation and creation of the "independent" puppet state.

Aside from the damage which China has suffered in her balance of trade and her loss of the Manchurian granary, Chinese industries also have felt the loss of the Manchurian market. Formerly Manchuria absorbed a considerable portion of the output of the Chinese cotton and flour mills, particularly those located in North China, but this market has been cut off completely and is now a subsidiary of Japan. Several mills which produced primarily for the Manchurian market have been closed down completely. Another serious loss is in the tea market. Formerly Manchuria absorbed a considerable portion of the tea produced in Fukien province, but now, according to recent Japanese announcement, Manchuria is to be supplied from the Japanese colony of Forosa, a territory which also was taken from China by Japan at the time of the Sino-Japanese war. China likewise is feeling the loss of the Manchurian silk market, the Japanese also having taken that over. Aside from these major items, the Manchurian population exceeding 30,000,000 and overwhelmingly Chinese, constituted an important market for innumerable sundry articles produced in China ranging from foods and medicines to wearing apparel and luxuries, but this has been almost completely lost as a result of the Japanese occupation. Then finally there was the matter of Manchuria's imports of foreign articles, raw and manufactured, which previously were supplied by firms which maintained large warehouse stocks in Shanghai and Tientsin. This important trade which previously provided extensive employment of Chinese labor in Shanghai and Tientsin has practically been stopped due to Japan's diversion of the trade from Chinese ports to Dairen or Japan.

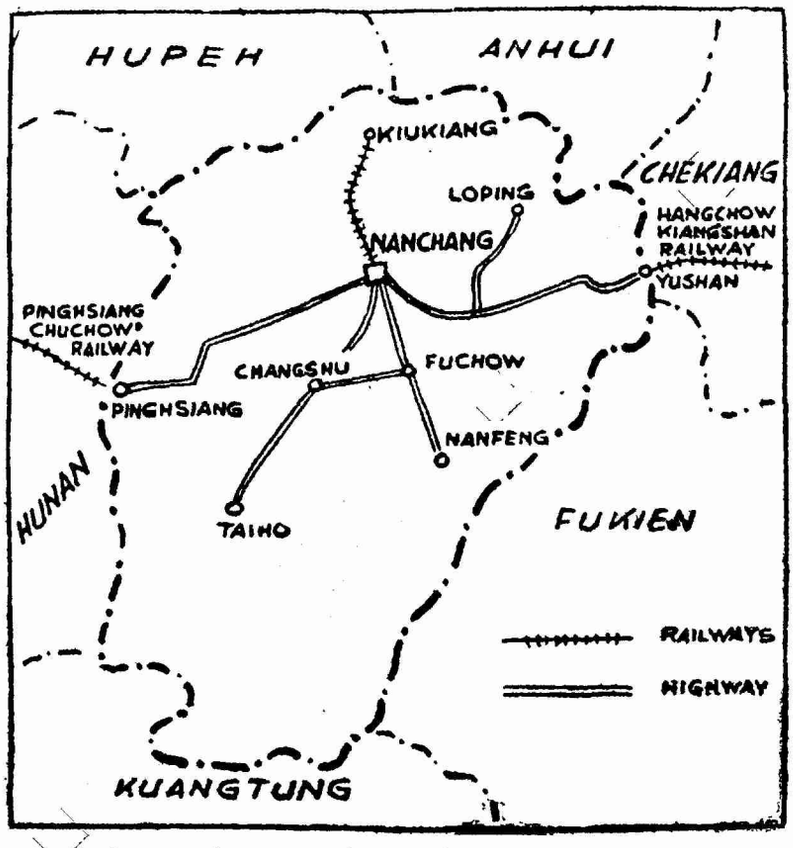
Heretofore attention has largely been centered on the losses suffered by the Chinese Government in customs and salt revenues, telegraphs and posts as a result of Japan's seizure of the four northeastern provinces, but thanks to the report of the Bank of China the extent of the loss suffered by the people generally is becoming apparent. As stated in the foregoing it is unfortunate that the bank's department of economic research, while compiling the annual report, did not devote a separate section to this subject. It is therefore to be hoped that some official or semi-official organ of the government will pay special attention to this phase of th subject in the future in order that the real facts involved in the

loss of Manchuria may be brought home to the people generally. But sufficient is now known to indicate that the lopping off of Manchuria has been a serious matter from the standpoint of China's national economy, comparable in a sense to the loss of a right arm from the human body. Economic conditions in China have generally been unfavorable since 1931 and the causes have not been due entirely to the Japanese seizure of Manchuria and ensuing political and military disturbances at Shanghai and in north China incidental to Japanese aggression, but the Manchurian seizure coming as it did in the midst of the economic depression, has accentuated the other complications and made a bad situation immeasurably worse.

And while the management of the Bank of China made no mention of the subject, it also is known that the bank itself suffered serious losses as a result of the Japanese action for the branches in Manchuria have been compelled to practically sever all relations with the parent organization in China proper. Previously the branches of the Bank of China occupied an important place, or practically a predominant position in Manchurian trade and development and constituted an important medium for Chinese investments in that area. Owing to the forced severance of relations with China the branches of the bank which are still functioning, have been subordinated to the official Central Bank of Manchukuo, a Japanese organ.

Chiang Kai-shek Uses Better Anti-Red Tactics

A REPORT published in the *North-China Daily News* last week (April 12) from its correspondent in Nanchang indicated that General Chiang Kai-shek apparently has learned through experience that silver bullets are more effective in fighting the reds than those made of steel and lead and fired from machine-guns.



Road construction as an anti-communist weapon in Kiangsi province, hot-bed of the Chinese red movement. The map shows new roads, some 1,500 kilometers in length which recently have been completed by the government in the areas which previously were controlled by the reds. The roads radiate from Nanchang the provincial capital and extend east to the border of Chekiang where they connect with the recently completed Hangchow-Kiangshan railway, and west to Pinghsiang where they link up with the road system in Hunan. Another road extends north to the border of Anhwei at Loping while others extend southward toward the Fukien and Kwangtung borders and directly into the red districts. Construction of these roads have provided work for peasants and the inauguration of motorbus traffic has helped economic conditions. According to the report in the *North China Daily News* the new roads provide modern transportation for 97 cities, towns and villages previously dependent upon wheelbarrows or human carriers for transporation.

The report told of General Chiang's road construction program which embraces 1,584 kilometers of trunk lines which are being extended to connect up with similar systems in the adjoining provinces of Hunan, Chekiang, Fukien, Anhwei and Hupeh. Also there was a report that Gen. Chiang had issued instructions to speed up the construction of the 250-mile missing link in the Canton-Hankow railway and in addition there was a report in *The Review* last week that the Kiangsi provincial government had worked out plans for reviving the tea industry in the province which flourished several years ago but became stagnant as a result of the loss of the Russian market. Also the government is fostering the organization of cooperative societies among the farmers which will be concerned with the development of a cattle-raising industry. This is all taking place in a territory which for the past five or six years was over-run by the Chinese communists, hence, as stated it appears that the Government, or more particularly Gen. Chiang Kai-shek has learned that communism cannot be eradicated by military means, but can definitely be eliminated by improving the economic resources and livelihood of the people. The Rev. G. W. Shepard, member of the American Church Mission, who has had considerable experience in the former red areas, also told of the success of the government's latest methods in Kiangsi, formerly the headquarters of the so-called Chinese Soviet Government and where a Chinese brand of "Leninism" apparently had taken firm hold. In the course of an address delivered in Shanghai last week, Rev. Shepard declared, "The Central Government is winning its battle against the communists today, not so much because of its fleets of bombers or its well-equipped and modern-trained army, but because it is applying a thoroughly constructive program of rehabilitation. . . . In other words

the government is out-doing the communists on the basis of the old Chinese civilization which the people understand and want. . . . Three years ago the Government was losing out in the fight and even one year ago the situation was not bright, but the whole program has now been changed and success is being achieved."

Specifically, Rev. Shepard stated that the Government has issued orders that the landlords are to collect no rent during 1934 in the districts which have been recovered from the reds and also that no mortgages are to be foreclosed. Furthermore there is be no readjustment of the land-lownership or title-deed issue until order has been restored and the farmers have again acquired confidence. As a result the people, according to Rev. Shepard, are again beginning to have some confidence in the governmental administration which is due entirely to the fact that the government has adopted plans for definite economic improvement through public works which are providing employment and raising the living standards of the people. Kiangsi was a fertile field for the communist agitators, most of them returned students from Germany, France, America, Russia and England and also innumerable graduates of universities in China, who took advantage of the abnormal absentee land-ownership and depressed-tenant situation and preached communism. The communist doctrine preached in Kiangsi, stated Rev. Shepard, was exemplified in two slogans which were plastered all over the countryside. The huge Chinese characters painted on the walls read, "Revolt" and "Burn the Deeds and Divide the Land." Peasant farmers who had been accustomed to handing over 50 percent of their crops to absentee-landlords who lived in the cities and only visited their farms once a year to collect the rent, were therefore ripe for revolt. Therefore when the agitators came along with the suggestion that the landlords be killed and the title-deeds burned, the peasants responded heartily. But they discovered shortly that while the landlords had been eliminated there was nothing in the form of government to take their place. There was no one ready to provide seeds for a new crop and no funds to provide work animals or implements. The whole situation therefore became stagnant and was aggravated by the Government's blockade which prevented supplies from being sent into the red areas.

Had the National Government started out four or five ago with its present constructive program, there probably would be no organized communists left in the country, but instead of following the only sensible plan of providing something better than the communists had been offering, the Government embarked on military campaigns which probably made the situation worse from the standpoint of economic conditions in the affected areas. So long as the reds maintained a so-called government with the openly expressed object of overthrowing the established government of the country, Nanking had no choice but to defend its position. But instead of utilizing a portion of the tens of millions of dollars expended on the military campaigns for economic reconstruction, nothing was done; hence districts delivered from the reds became red again just as soon as the troops were withdrawn. However, the money probably was not entirely wasted for the anti-red war enabled General Chiang Kai-shek to build up a modern-trained and well equipped army which ultimately, it is to be hoped, may be used against foreign invaders.

U. S. Congressman Spoils "Perry-Day" Propaganda ...Non-Aggression Treaty and Loan Issues

EIGHTY years ago an American admiral, Commodore Perry, was cruising about the Pacific and entered Uraga in the Gulf of Yedo. Up to that time Japan had had little or no trading relations with foreigners and didn't want any. The local shogun or feudal lord opposed the intrusion of the American fleet but Commodore Perry insisted upon establishing relations and thus was the way paved for a treaty of amity whereby commercial relations were established between the two countries and the occidental world generally. Up to a few years ago Commodore Perry had received little credit for his exploit in "opening up" Japan to commercial intercourse with the western world, but recently the Japanese and some interested Americans have sensed the propaganda value of the incident and as a result we now have an annual celebration of "Perry Day" with appropriate hands-across-the-sea speeches. This year the anniversary, which fell on April 11, was celebrated by a banquet in New York which was attended by some 500 Japanese and American businessmen. The speakers were Ambassador Hiroshi Saito and Stanley K. Hornbeck, chief of the Division of Far Eastern Affairs in the State Department. Saito said that Japan and America were destined to work together with other sister nations in the interest of peace and friendship and that reports pertaining to the danger of war between the two countries are to be smiled at. Mr. Hornbeck in his address, as reported by the French *Havas* service, expressed the hope that the 80 years of amity between Japan and America would never be impaired and that if the two nations placed full and implicit faith in each other's peaceful aims "which are genuinely and entirely free from aggressive designs," then the result would be peace and amity in the Pacific region and tranquility for the whole world. Earlier in the day Ambassador Saito presented to Mayor Giorello H. LaGuardia of New York several hundred Japanese cherry trees

to be planted in the public parks "to form a permanent reminder that friendship must always continue between our two countries."

⁂

But, as suggested in the heading to these paragraphs, the Perry Day "peace and amity" propaganda was largely spoiled by an address delivered in the House of Representatives by Congressman William I. Sirovich, Democrat of New York who recently had returned from a trip to Russia. Whether Mr. Sirovich purposely selected Perry Day for his declaration is not known but he stated that while in Russia he had been shown secret documents indicating Japanese strategy on the following key points: (1) Seizure of the Aleutian Islands and Alaska; (2) Establishment of naval, submarine and airplane bases on the Alaskan coast; (3) Destruction of the Panama Canal. In view of this situation, Mr. Sirovich declared it was about time Congress began appropriating money for the construction of naval bases in Alaska. The *United Press* report said that while these revelations were being made in the House of Representatives Japanese and American businessmen and officials were celebrating Perry Day with a glowing exchange of mutual esteem and the Japanese cherry trees in Potomac Park were celebrating Japanese-American friendship by blooming a week earlier than usual.

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Recent reports in the Japanese newspapers have confirmed the views, originally expressed in these columns that the Hull-Hirota exchange of notes meant practically nothing. A dispatch from Washington in the *Osaka Mainichi* on April 6 described the notes as "empty bottles," and stated that Mr. Hull had asked Mr. Hirota to produce something good to fill the bottles. As indicated in our previous discussion of this subject (March 31) Hirota sent his note to Washington on Feb. 21 and Mr. Hull replied ten days later or on March 3, but for some unexplained reason they were not made public until March 21 or about three weeks after the exchange. The reason for the delay in publication has not been explained, but the report in the *Mainichi* on April 6 stated that both Secretary Hull and President Roosevelt were awaiting a further move on the part of the Japanese Foreign Minister. But four days later, or on April 10, there was another report in the *Mainichi* which indicated Japan's reasons for silence. It seems that Mr. Hirota had proposed that the United States and Japan sign a non-aggression treaty as a means of paving the way, or clearing the atmosphere, for the 1935 naval conference. But according to this report the United States had countered with a proposal that Japan also negotiate simultaneous non-aggression pacts with her nearer neighbors, China and the Soviet Union. The report in the *Mainichi* stated that while Foreign Minister Hirota was "quite willing to follow the American suggestion," there were, nevertheless, several obstacles. For example between Russia and Japan there are a number of pending questions such as the fishery dispute and the transfer of the Chinese-Eastern Railway to Manchukuo, etc., while between China and Japan there were also a number of outstanding issues, the chief one being the independence of Manchukuo which China, as yet, had refused to recognize. According to the spokesman of the Tokyo foreign office the American attitude was regarded as somewhat unreasonable because in his opinion there are no outstanding questions between Japan and America which would require settlement prior to the negotiation of a non-aggression pact. But the Americans apparently thought otherwise for a *United Press* report stated that the Roosevelt administration was somewhat uncertain as to what action Japan might take in the Far East, should the two countries form a separate non-aggression agreement. In other words there was a feeling that if America and Japan should sign a non-aggression pact, the Japanese warlords might then feel themselves secure against American interference while resuming their policies of aggression in Asia.

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While there has been little of a definite nature in the reports which have appeared in the newspapers regarding the Huang Fu-Chiang Kai-shek-Wang Ching-wei discussions at Nanchang and the later Huang Fu-Ariyoshi conversations at Shanghai, there have been other reports in the newspapers suggesting that the Sino-Japanese talks about resumption of railway and mail communication between China and Manchukuo may have been accompanied by more important matters concerning finance and economic cooperation. These subjects were touched upon in the issues of *The Review* on April 7 and 14 but at that time there was nothing more definite than reports in the Japanese newspapers. Now, however, there is something more definite for the *North-China Daily News* published a report telling of the arrival in Shanghai of K. Uchida, Japanese financier who is a member of the so-called Japanese Creditors Corporation for loans to China. Mr. Uchida denied that pressure was being put on China to settle the defaulted Nishihara loans, but admitted that "any creditor will ask for his money back." He said that the matter of refunding the defaulted loans, now amounting to about $600,000,000, had been discussed with the Chinese Minister, Chiang Tso-pin, in Tokyo, but denied that he had any concrete plans for taking up the matter with the Nanking authorities. He also denied the report that Japan had offered China a loan of Yen 10,000,000 for certain concessions in north China in exchange for China's agreement to resume postal and railway communication with Manchukuo. In addition to the arrival of Mr. Uchida, *Rengo* reported on April 14 that Mr. Takayama, president of the Oriental Development Corporation was scheduled to depart from Japan shortly on an inspection trip which included Manchuria, north and central China. Mr. Takayama stated that his object was to discuss economic cooperation between China, Manchukuo and Japan with influential Chinese finan-

cial leaders. Also there were reports in the Japanese newspapers regarding a recent visit here of one of the leading directors of the South Manchuria Railway on a similar mission.

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With reference to reports circulated in Shanghai recently that certain foreign "consortium" bankers had offered China a loan, it is of interest to record the fact that *Rengo* reported the arrival in Japan on April 14 of Baron Maurice Rothschild, a leading financial figure in France. Baron Rothschild of course is traveling for pleasure only, but it was of some significance that his presence for several days in Shanghai was kept secret. Rothschild belongs to the French branch of the famous Jewish banking firm which got its start through international financial manipulations during the Napoleonic wars. Perhaps he is only viewing the cherry blossoms in Japan, but it cannot be forgotten that certain Japanese and French capitalists formed a so-called Banque Franco-Mandchoue on Feb. 20 last which will be devoted to French investments in the puppet state. The Japanese end is being handled through the South Manchuria Railway, which, according to recent reports in the Japanese newspapers is being entrusted not only with the financing and control of all communication organs but also the munition plants and other basic industries. The Rothschilds have been concerned in one way or another with the financing of wars in various quarters of the world in the past 175 years, hence they probably are laying plans for the scheduled Russo-Japanese conflict. During the Napoleonic wars the family maintained offices in London, Paris, Berlin and Amsterdam and through prior information supplied by carrier pigeons succeeded in amassing a vast fortune in exchange speculation.

General Hayashi Remains as Japanese Minister of War

THE Cabinet of Premier Saito has weathered another storm. General Senjuro Hayashi, who succeeded General Araki January 23 as Minister of War, resigned suddenly April 10. The resignation was not based on political grounds, but was tendered because of the fact that on said date his younger brother, Yukichi Shirihami, former deputy mayor of Tokyo, had been sentenced to ten months imprisonment, after having been found guilty of acting as an intermediary for the Tokyo Gas Company in bribing a number of members of the Tokyo Municipal Council in August 1932. The resignation, however, as matters developed, was merely a face-saving maneuver of a kind of which there are many examples in Far Eastern politics. The first messages from Tokyo were to the effect that, despite the strong persuasions of practically all of the military chiefs that he remain in office, General Hayashi appeared to be firm in his resolve to quit his post. It was hinted, however, that in the end the Emperor might command him to remain, and then he would have no alternative. Despite his resignation General Hayashi attended the regular Cabinet Council April 13. Two days later it was announced that he had definitely decided to withdraw his resignation, as the result of a meeeting early that afternoon of Prince Kan-in, Chief of Army General Staff, General Mazaki, Director-General of Military Education, and himself. Prior to this, Field-Marshal Prince Kan-in, upon his hurried return from his trip to the Western Part of Japan, immediately summoned Gen. Hayashi and advised him to remain. Premier Saito April 16 formally handed back the resignation of General Hayashi, which he had kept in his hands, thus completely closing the episode. This was not the first time that the financial scandals in which his civilian brother were involved had caused embarrassment to General Hayashi, who is described in the Japanese press as a man of high principles and unimpeachable integrity. General Hayashi, it is to be remembered, up to the time he succeeded General Araki, occupied the post of Inspector General (the highest appointment in the Japanese Army and co-equal in rank with the War Minister and Chief of the General Staff), and he resigned this post because of his brother's escapades in 1932, but, as was the case in this instance, he was prevailed on to stay.

Bank of Japan Gold Purchase Act a Forerunner of Further Inflation

Writing in the *Japan Advertiser* April 7 Dr. S. Washio stated that next to the budget the most significant bill passed in the recent session of the Diet was the Finance Ministry's bill called "the Bank of Japan's Gold Purchase Act." For all practical purposes, the Act is a devaluation process and the purchase price of the Bank of Japan will determine largely the extent of the devaluation. The only difference from legal devaluation is that the bank's purchase price may fluctuate and the Government may set the devaluation standard somewhat higher than the bank's purchase price. But on the whole the purchase price can be taken as the gauge of devaluation. When devaluation is finally made it will be only the legal confirmation of what has been done by the bank's purchasing operations. In the Diet the Finance Minister refused to make any suggestion about the time of devaluation. In view of the so-called 1935-36 crisis and also of the uncertainty of the world's monetary outlook the time of devaluation cannot be easily foreseen, especially as unlike America's experiment, Dr. Washio expressed the opinion that Japan's devaluation is not likely to be determined until the gold embargo can be safely lifted.

Japanese to Negotiate with Brazil on Proposed Emigration Restriction

The Japanese Foreign Office April 16 instructed Mr. Hayashi, the Japanese Ambassador in Brazil to enter into negotiations with the Foreign Office in connection with the proposed intention of the Brazilian Government to insert an anti-Japanese emigration act in the country's constitution. As was stated in an editorial in *The Review* April 7, Brazil had taken steps to restrict further emigration of Japanese to Brazil owing to fears that the Japanese have colonial designs on the lower Amazon valley.

Japan Will Be in the "Red" Ten Billion Yen at End of Year

The total amount of the Japanese government's bond issue on the last day of March, end of fiscal year 1933-34, was Yen 8,139,039,000, according to the announcement of the Ministry of Finance. This means an increase by Yen 1,084,843,000 from the amount at the end of the previous fiscal year.

From the above figures, *Rengo* says it is generally expected that Japan's national debt at the end of present fiscal year will reach well over Yen 10,000,000,000, including the issue of the short term bonds.

Amount of Rayon Export from Japan Reaches Unprecedented Figure

The total volume of export of rayon from Japan during the month of March reached the unprecedented figure of 28,807 bales.

Saito Ministry Hopes to Reduce Deficit by Economies

The *Osaka Mainichi* April 13 stated that the Saito Ministry will push on with the execution of its new policies, with the firm resolve to reduce the deficit in revenues by economies and all other means available. Although the three policies, namely, the readjustment of the economic and taxation system, reform of the educational systems, and rehabilitation of the farming villages, which the government has declared to execute, are not quite new, and are rather abstract, the Finance, Home, Education and the Agriculture Offices are going to make utmost efforts for the execution of the policies. According to the decision reached by the government at the cabinet meeting April 10, the government

offices concerned are going to proceed with the study of the measures to be taken in the execution of the policies. Finance Minister Takahashi has decided that the utmost efforts shall be made to reduce the issue of "red bonds," and to increase revenue by means of an increase of taxes, and by economies; also to transfer railway profits to the general account and to raise the postal rates, to go into effect in the fiscal year 1935-36.

The first of a series of joint consultative meetings that are to be held regularly twice in a month was held April 14 at the official residence of the Finance Minister, when Finance Minister Takahashi sought the views of the heads of semi-government institutions in regard to current financial and economic questions. In the course of the conference, Mr. Kodama reviewed the currency and exchange situation in their bearing on the country's foreign trade and reported on the business conditions and policy of the Yokohama Specie Bank. In view of the fact that the Finance Minister is said to be contemplating the revaluation of the Yen upon a new basis, it is expected by *Rengo* that these consultative conferences will play an important role, virtually similar in nature to President Roosevelt's brain trust, in the formulation of a monetary and currency policy by Finance Minister Takahashi in the future.

The further inflationary developments in Japan and the consequent downward tendency of money rates in the open market has made it impossible for even third-class companies to issue low rate debentures. The average interest rate of the second class corporation debentures is now 4.8%. The rate for the third class companies is only a little higher.

80th Anniversary of Japan-American Friendship

The commemoration celebration of the 80th anniversary of the conclusion of the treaty of amity between Japan and America will take place beginning April 20 (to last for a fortnight) at Shimoda, Izu, where the first American war vessel to call at Japan cast her anchor, and where Townsend Harris, the first American Consul to Japan, established the United States Consulate. Various entertainments will mark the celebration. Joseph C. Grew, United States Ambassador to Japan, and other members of the American Embassy are making a visit to the town as honorary guests.

The *Scripps-Howard* newspapers April 2 published a report from their Tokyo correspondent that Japan is preparing for further aggression in Asia. Japanese military plants are working at their full capacity, preparing for a clash with the United States and the Soviet Union, it was alleged.

New Zealander Indicted in Japan as a Communist Agitator

The Tokyo police April 11 indicted Professor W. M. Bickerton, New Zealander, on a charge of conspiring to disturb public order. The police declared that Bickerton assisted the communist party with funds for writing and distributing their pamphlets and that he also applied for membership. The date of Bickerton's trial has not yet been fixed. The British authorities have declared that they would do all they possibly could to protect Prof. Bickerton's interests.

Korean Communists Continue Active

The trial opened end of March in Taihoku, Formosa, of 46 Communists. Over 150 police were on guard in the court building. After preliminary evidence had been offered, the Court was closed to the public.

The *Hochi* recently reported that two Koreans arrested in Tokyo had confessed to their part in organizing assassination plots against various influential statesmen, including Cabinet ministers. It is alleged that the Koreans, members of the Independent Korea party, plotted to blow up Government buildings in Tokyo.

Farmer Plunges Into Flames With Curse on His Lips

A farmer in Chiba prefecture recently committed suicide in dramatic fashion when he set his house on fire. As he ran into the blazing house, he volubly cursed the entire community, and exhorted them to do something to improve the lot of the farmer. "Destroy and reconstruct," were the last words they heard.

Convicted Japanese Communist Urges Nationalization of Land

Gaku Sano, convicted Communist, told the Tokyo Appeal Court in Tokyo April 7 that in his opinion all land should be nationalised and severe punishment meted out to any landowners who resisted.

Buddhist Priest on Trial Tells of Plot to Embroil China

During the Blood Brotherhood trial in Tokyo, now in progress in Japan, the Buddhist priest, Nissho Inoue, told of a plot proposed by Dr. Okawa, who was recently sentenced to 15 year imprisonment for his share in the May 15th outrages. Inoue said that Lt. Commander Fujii—later killed in Shanghai—approached him as agent for Dr. Okawa with the suggestion that certain Chinese should be persuaded to kill Japanese merchants in the interior of Manchukuo, in order to serve as cause for a military movement. Inoue said that Dr. Okawa's plan was repugnant to him, and so he refused to have anything to do with it.

Japan Determined to Have 5-5-3 Ratio Abrogated

Admiral Osumi, Japan's Naval Minister, in a press interview in Tokyo April 16 asserted that the decision of the Japanese Navy to have the existing 5-5-3 ratio abrogated was adamant. Neither would Japan agree to President Roosevelt's proposal to limit all categories of warships.

Japan Studies Policy in Relation to Washington Conference

The first of a series of conferences of the Japanese Government to study Japan's policy in connection with the Washington Conference in 1935, was held in Tokyo April 16. Officials of the Foreign Office and members of the Diet, including Mr. Yoshizawa, formerly Japanese Foreign Minister, Mr. Amou, Chief of the Intelligence Section of the Foreign Ministry and Seigo Nakano, an influential member of the Kokumin Domei party, attended. The conference will be held two or three times in a month in order to discuss concrete policies of the Government towards the Washington Conference.

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Japanese Say Nanking Policy Is "Cunning Simulation of Friendliness"

Bunroki Yoshioka, staff correspondent in Shanghai of the *Osaka Mainichi*, sent a dispatch which appeared in said paper April 6 that Nanking's policy towards Japan may be best described as a "cunning simulation" of friendlinesss. Mr. Yoshioka continued:—"China's attitude toward Nippon today depends entirely on what development the Russo-Japanese relations will show in the future. In the Nippon Foreign Office circles, especially among the diplomatic officials stationed here in China, there are some who seem to be unable to discern whether the pro-Nippon gestures of Nanking are genuine or whether they are mere pretense. Wang Ching-wei is a master simulator. He makes one think of the measuring worm noted for its ability to simulate a twig. Nippon is likely to hang an earthen pot on th's imitation twig, causing the pot to fall and break. The basic diplomatic principle of Mr. Wang is known as 'resistance on the one hand and negotiations on the other'—whatever that may mean, and this strange principle is supposed to be in practice today...Generally speaking, Mr. Wang is compromising, effeminate, and smiles at everybody. It is true, however, that the National Government of Nanking is at present obliged to 'simulate' an amelioration of its attitude toward Nippon... Nanking has always hoped that the relations between the United States and Nippon would be strained and that Washington would check Tokyo. The Chinese expectation of this was deeper rooted than may be imagined. Another thing that irritates Nanking is the fact that the attitude of the principal powers of the world toward Manchukuo has been mitigated and that the Manchu Empire's recognition is urged in some circles."

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American and Italian War Vessels in Yokohama

Eleven war vessels belonging to the Fifth destroyer flotilla of the Asiatic Squadron of the American Navy and a cruiser of the Italian Asiatic Fleet arrived in Yokohama April 16 on a visit to Japan. The Commander of the American destroyer flotilla paid an official visit to the Governor of the prefecture, the Mayor of Yokohama, and Admiral Osumi, the Navy Minister. The destoyer flotilla will stay in Yokohama until April 25 and then will proceed to Kobe.

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Japan Seeking to Abolish Licensed Houses

Speaking before the at Committee on the Traffic in Women and Children, Geneva April 5 Mr. Yokoyama, Japanese Consul-General asked that Japan be added to the list of countries where experiments are being made for the abolition of licensed houses. He stated that this was now being tried in three districts in Japan and that, while progress was slow, it was significant and should be recorded as an indication of the advance of the League's ideals in the Far East.

The world-wide abolition of houses of ill-fame was recommended in the report approved in Geneva April 11 by the League of Nations Committee for the Prevention of Traffic in Women and Children.

Memorial to Lieut. Short Erected at Hungjao

The Memorial at Hungjao Airdrome to Lieutenat Robert Short, the American aviator who was shot down by raiding Japanese airplanes at Soochow during the Sino-Japanese hostilities, has now been completed. The following appears in black against the white stone back-ground:

"Robert Short—Born October 4, 1904 Tacoma, Washington, U.S.A.; killed February 22, 1932, Soochow, Kiangsu.

"'Greater love hath no man than this, that a man lay down his life for his friends.' St. John 15, 13."

Carved in the stone flanking this are a shield of the United States and the sun symbol of the Kuomintang.

Gen. Huang Fu "Resigns" as Japan Forces Compliance to Her Demands in North China

Highlights in events of the Week:

1. *Japan Demands restoration of rail and postal communications with "Manchukuo."*
2. *Fresh International Intrigues in Sinkiang.*
3. *Conflicting reports regarding Sikong situation.*
4. *Communists continue to be active in Central China.*
5. *Canton-Nanking Co-operation Deadlocked.*
6. *Shantung troops continue hunt for Liu Kwei-tang rebels.*

General Huang Fu, Chairman of the Peiping Political Council, interviewed upon his arrival at Shanghai from Nanchang April 16, was noncommital in his statement as to whether the Japanese had presented any demands regarding the re-establishment of railway traffic and postal communications with "Manchukuo," but he admited that there remain many outstanding Sino-Japanese issues in North China. Questioned whether the situation in North is serious or not, General Huang evaded direct answer by saying that this depends upon interpretation of the events there and upon the efforts on the part of the Chinese people to make good themselves. He added that he had done his best in preserving peace and order in the North and relieving the war victims of last year, but would leave to the public to form its own opinion regarding merits or demerits of his past year's administration.

In reply to a question as to what was discussed at the Nanchang conference, General Huang said that China's foreign relations in all its phases and various internal problems were brought up for discussion, but the questions of Japanese demands concerning rail traffic and postal facilities with Manchuria, however, were not on the agenda. Questioned further regarding the reported conference between him and Mr. Ariyoshi, Japanese Minister to China, at Shanghai, General Huang denied that plans had been made for such a conference. But he added that he may receive calls from the Japanese Minister, if the latter desires to see him.

Continuing, General Huang said that the heavy responsibilities of his office have weighed on him too heavy both mentally and physically and he expressed the wish that other Government leaders would do their part in sharing them. Explaining his position in the North, he stated that whatever he had done there during the past year had been based upon instructions from the Central Government and that he had never taken the liberty to do things on his own accord.

In conclusion, General Huang announced that he had verbally tendered his resignation to General Chiang Kai-shek and President Wang Ching-wei of the Executive Yuan. While he has not decided whether to retire or remain, he said, he is badly in need of a rest and accordingly, he will leave for his Mokanshan retreat after a few days in Shanghai. General Huang is not expected to return to North China until after the elapse of three or four weeks.

According to a report in the *Shanghai Evening Post* April 17, a conference was held between Akira Ariyoshi, Japanese Minister to China, and General Huang Fu at the latter's residence in the morning of said day, when the various Sino-Japanese issues were discussed. Interviewed after the conference, Mr. Ariyoshi was in a very optimistic mood and expressed gratification over the Nanchang conference decisions and the Chinese attitude towards the Sino-Japanese relations in general. This indicated that Genneral Huang had met fullly with the Japanese demands. Mr. Ariyoshi left Shanghai for Nanking in the night of April 17 to confer further with Wang Ching-yei in regard to the same questions.

The same paper reported that at the Nanchang conference, the following five chief issues in Sino-Japanese relations in North China were discussed:

1. Japanese demands for resumption of railway service on the Peiping-Liaoning Railway.

2. Japanese demands for resumption of postal service between China Proper and Manchuria.

3. Japanese demands for the establishment of Chinese custom offices along the Great Wall passes.

4. Japanese demands for privileges in investing capitals in North China for mining, industrial and railway enterprises.

5. The reorganization of the Peiping Political Affairs Readjustment Commission in such a way that it will have power over the Peiping Branch Military Affairs Commission.

During the conference, it is reported, Gen. Chiang Kai-shek, President Wang Ching-wei and Gen. Huang Fu agreed on the first problem. On the other problems, both General Chiang and Mr. Wang are represented as opposed to their acceptance. The flat dismissal of these suggestions is said to have so disappointed General Huang that he insisted on his resignation.

Far reaching decisions are expected to be made this week by the National Government regarding the relentless Japanese demanuds for the re-establishment of through rail traffic and postal communications between China and "Manchukuo," according to reports from Nanking. The conference at Nanchang has been concluded, but its decisions are still closely guarded from the public and speculations are rife regarding the actual outcome of the parley.

President Wang returned to Nanking April 14. He announced that General Huang Fu has tendered his resignation, but he has prevailed upon him to remain. A *Chekiai* Agency's telegram from Nanking says that President Wang is considering the dispatch of a delegate to Canton to exchange views with the Southwestern leaders regarding the situation in North China. According to a *Reuter* dispatch from Nanking on April 15, there is a strong feeling in the Capital against any compromise measures with regard to through railway traffic and postal facilities with "Manchukuo." A responsible official of the Government is quoted as saying that China must reject the demands, as acceptance of them would mean *de facto* recognition of "Manchukuo" and isolate China's position in international relations. In the meantime, a *Reuter* Peiping dispatch April 15 states that unless China accedes to Japanese demands in regard to these two matters, Japan will take action on their own accord. The National Government is finding herself in a dilemma, having neither the military power to resist against the Japan's force nor the alternative to negotiate due to public opposition against any from of negotiations with Japan.

Since his return from Nanchang, President Wang has called two meetings of the Government leaders to discuss the situation in the North, but neither the nature nor the outcome of the discussions were announced. The Legislative Yuan on April 13 held a secret session in connection with the Sino Japanese situation. The members present were indignant over the renewed pressure to force issues on China on the part of Japan. Sun Fo, President of the Yuan, assured the members that the Government would not commit itself to anything which would involve impairment of national rights and honor.

President Wang speaking at the weekly memorial service at National Government House April 19, said, among other things, that the most important issue he discussed with Generals Chiang Kai-shek and Huang Fu at Nanchang was the present situation in North China. The situation is critical but not hopeless, provided that China can effect the necessary reforms in civil and military administration, that the people be united in the struggle for national salvation, and that the rural rehabilitation policy be actively carried out. Whether we shall meet with success or not is not so important as to show to the world that we still have the national stamina. We are studying the international situation and the situation in the Far East very closely, with a view to adopting proper measures to meet the situation; but everything, it is important to realize, depends fundamentally on our own national strength and vitality.

Reports from Peiping state that the Japanese continue to increase troop garrison in Eastern Chahar and in the Peiping-Tientsin Area and a latest *Sin Wen Pao* telegram from Tientsin reports that the Japanese Military Headquarters has notified the Hopei Provincial Government that the Japanese troops in North China will conduct a large-scale maneuver along the railway line between Tientsin and Peiping from April 16. The Hopei authorities have wired the National Government asking for instructions. The Japanese military in the demilitarized zone in the North has become increasingly active in recent weeks and Japanese military attaches in interviews given to the press intimidated that unless China complies with Japanese demands a grave situation will result in North China.

According to a *North China Daily News* report on April 15, agreement on a solution of the outstanding questions of postal communication and through railway services between North China and Manchukuo is reported to have been reached at the Nanchang conference. According to reports from usually reliable sources, the Paper said, it was decided at the conference that these two questions should be treated as local issues by the authorities in North China.

A *Reuter* telegram from Nanking April 9 stated that General Chang Chun, chairman of the Hupeh provincial government, will exchange posts with General Yu Hsueh-chung, chairman of the Hopei provincial government. In such an event, General Yu will proceed to Hankow with his troops.

In a press interview, at Nanking April 12, Dr. Chu Chia-hua, Minister of Communications, denied the reports that the Executive Yuan had recently discussed the question of resumption of postal communication with "Manchukuo." There has been, according to Minister Chu, no slackening of the postal blockade against the puppet state, though he admitted that there have been cases of surreptitious transportation of mails from and to the occupied territories in the North-east.

Canton Opposes Japanese Demands

Voicing strong opposition to the Japanese proposed resumption of China Proper-Manchurian postal and railway service and the establishment of Customs Offices along the Great Wall passes, the Southwest Political Council in Canton is reported to have telegraphed to the National Government demanding careful deliberations before taking any action in connection with those demands according to a report in the *Shanghai Evening Post* on April 10.

In its telegram to Nanking, the Kwangtung leaders are said to have contended that the resumption of postal and railway service and the establishment of customs offices would imply *de facto* recognition of Manchukuo. Nanking's acceptance of the Japanese demands, the paper said, would put fresh obstacles in the path for closer relations between Nanking and the Southwest political and military leaders it is said.

Dr. W. W. Yen, Quo Tai-chi, Dr. Wellington Koo and Dr. Alfred Sze, Chinese ministers to Russia, Great Britain, France and America respectively, are reported to have submitted a joint memorandum to the Chinese Government concerning its foreign policy, especially vis-a-vis Sino Japanese relations. It is understood that the memorandum was personally submitted to the government by Dr. Yen.

The Ministry of Foreign Affairs is reported to have telegraphed to the Chinese Legations abroad instructing them to convey to the Governments of the countries to which they are accredited the determination of the Chinese Government not to enter into direct negotiations with Japan in regard to the Manchuria question. They are instructed to inform foreign government that China will continue to abide by the resolutions of the League of Nations.

Nanking Armies Captured More "Red" Towns

Kanchushih (town), gateway to Kwangchang, "Red" stronghold in eastern Kiangsi, has been captured by the Government troops, according to a Nanchang report on April 16. More than 30 bandit fortifications were destroyed by the Government units, 300 bandits were killed, and 7 machine guns and 200 rifles seized. The casualties on the Government side are placed at 30. The town of Choufang in Kweiki district, a "Reds" under Fang Chih-min, has also been captured.

For the protection of the line against possible attacks by the Communists, the Kiangsi Provincial Government is now building stone fortifications at different strategic points along the Kiukiang-Nanchang Railway and expects to complete all the works before May 12.

To set the minds of the people at rest in the newly recovered bandit areas, General Chiang Kai-shek has instructed the Provincial authorities to issue public proclamations exempting the inhabitants from the farm tax and extending the period for the repayment of private loans. Creditors are called upon not to press for repayment of debts.

General Li Yang-ching, Field-Commander of the 2nd column attached to the Southern Route Bandit-suppression Forces, has decided to storm Chunmenling, gateway to Hweichang, "Red" stronghold in southern Kiangsi, in three separte routes. A message from Lieut.-General Huang Jen-huan states the Lotang, a strategic point 10 miles south-east of Chunmenling, has been captured by his units.

Collaborating in the plan of attack on Chunmenling and Hweichang, "Red" strongholds, the Eastern Route forces will simultaneously storm Liencheng and Changting, "Red" rendezvous in western Fukien. The 9th, 3rd and 83rd Government Divisions are said to have captured Pengkow, 15 miles south-west of Liencheng, and are pushing towards the latter day.

According to a Changsha telegram, the Communists in Southern Hunan under command of Li Tsung-pao are still active in that region. The base of the Communists is at Huangmaotung, a mountain retreat near Shenchow, which is extremely difficult to attack. From Huangmaotung these Reds are making raids on neighboring cities and towns. Recently they captured Hsianghualin, a mining region in south-western Hunan, and they are continuing their attack on other cities. The "Reds" under Ho Lung have fled to Hsinglungping along the Szechuan-Hupeh border. They are now being jointly suppressed by the combined Hunan, Hupeh and Szechuan troops.

The Communists in northern Szechuen have started a general retreat in the direction of Tungkiang on the Szechuen-Shensi border following the third offensive launched by the provincial forces. They are now are gathering in the vicinity of Tungkiang and are building up new defence works around the city. It is believed that the Reds will make a desperate stand at Tungkiang, but if they fail they will retreat into Shansi. It is understood that when the Szechuen provincial troops captured Shaohdua, a city to the north-west of Pachung, no less than 20,000 people were found killed within that city.

Marshal Chang Hsueh-liang has ordered more troops from North China to come down to Hupeh for the purpose of strengthening his anti-Red forces in the Central China provinces. These troops will be stationed at Kaifeng and Wuchang, it is learned.

International Intrigues Hot in Sinkiang

The Government has received a telegram from Sinkiang reporting that serious fighting has broken out in southern Sinkiang where the people have risen up against the new independent government at Kashgar. It is said that the people are gaining an upper hand over the separatists and Kashgar is expected to fall at any moment.

It is understood that Sinkiang has a total population of 4,000,000, of which 3,000,000 are Moslems and Sinkiang natives. Chinese Mohammedans number only 200,000 of the total population while the number of Chinese only reaches 250,000. In Sinkiang there are also around 100,000 Mongolians.

The Sinkiang provincial forces under General Sheng Shih-tsai, Defence Commissioner for the Sinkiang Border, while pursuing the remnant insurgents under General Ma Chung-ying, has occupied Aksu and Wusih, two important cities in southern Sinkiang. The defeated rebels are retreating in a westerly direction towards Shufu (Kashgar), western Sinkiang.

According to a *Tass* report from Moscow April 11, Gen. Ma Chun-ying has arrived at Kashgar with a small detachment. At the present moment hot fighting is going on in the Kashgar area between the Tungan detachments, the "basmatch" (bandit) groups, the Uigur guerilla detachments, and the Khotan units. During the occupation of Yangishahr by the Tungans, the Emir of Khotan was killed.

Following this the Khotans, assisted by Uigur detachments, again occupied Yangishahr.

The "Ere Nouvelle" in Paris reports on secret factors in events in Sinkiang, emphasising that Sinkiang neighbours closely on Tibet and Afghanistan, which England considers a zone reserved for her expansion. Reminding that "events in Manchuria began in the same fashion," the paper makes it evident from a comparison between the "independence movement" of Manchuria and Sinkiang that both are inspired by interested Powers, namely Japan and Britain.

According to a report in the *Chicago Tribune* March 13, several members of the British consulate in Kashgar were killed or wounded and 2,000 Uygurs, residents of the city of Kashgar, were massacred in fierce fighting between Tungan natives and the newly proclaimed "independent government" a week ago. The town was sacked. The Tungans were bent on rescuing a group of their own tribesmen besieged in a Kashgar fortress. The Uygurs were reinforced by troops from Yark and and Hotien and Kirghiz tribesmen. British agents are alleged to be sponsoring a separation of Kashgar, Hotien, and Yarkand into an independent Moslem domain under an Indian Moslem prince.

A *Reuter* telegram from Singapore April 12 stated that Mrs. Thomson Glover, the wife of the British Consul-General at Kashgar, was shot through the lung during the attack on the Consulate on February 14 by the Tungan tribemen. During the attack, Mrs. Glover and four members of the Consulate staff were wounded. They, however, are recovering.

Conflicting Reports on Sikong Situation

Conflicting reports have been received by the Government from Chengtu concerning the existing situation in Sikong. One report states that the Tibetans have received 5,000 reinforcements from the rear which have been sent to the west bank of the Chinsha River on the opposite side of Paiyu in preparation for an attack on that city. General Liu Wen-hui has already despatched reinforcements to that region to strengthen the Chinese defence at Paiyu.

However, according to information received by the Mongolian and Tibetan Affairs Committee at Nanking, the situation on the Chinsha River front has become easier and a state of truce now exists at the front.

The arrival of Chinghai troops at Yushu in southern Chinghai has much strengthened the position of the Government forces in Sikong and they have been enabled to launch a counter-attack and succeeded in driving back the Tibetans from Tengko, which city the Tibetans captured twice from the Chinese forces. The Tibetans are reported to have changed their tactics. Instead of further attacking Tengko and Tehkeh, they have turned their attention to southern Sikong and they are now setting their eyes on Taiyu, an important town in southern Sikong on the east bank of the Chinsha River. At the same time the Tibetans are rushing troops to Kiangka with the obvious intention of making a forced crossing at Paiyu and Pa-an in southern Sikong where the Chinese defences are not strong. General Liu Wen-huei has already sent troops to Pa-an to reinforce the garrison troops there.

The Nanking office of the, Dalai Lama has received a telegram from Lhasa, explaining that regular Tibetant troops have not participated in the recent invasion of Sikong and that the Tibetans which attacked Tehkeh were Lamas of the Tachin Monastery. The Lhasa telegram states that the Tibetan Government has already ordered the Lamas to withdraw to their original positions pending a peaceful settlement by the Government.

General Huang Mu-sung, Government Special Commissioner to Tibet, has decided to fly to Chungking, provincial capital of Szechuan, on April 22, en route to Lhassa, capital of Tibet.

Mongolian Autonomy Council to Be Inaugurated April 23

The Mongolian Local Authonomy Political Affairs Council will be formally inaugurated at Pailingmiao on April 23. Prince Yung, President of the the Ulan-Tsab League, announced in a telegram issued April 15, his assumption of office as Chairman of the Council at Pailingmiao. In view of the lack of postal facilities, the Postal authorities have decided to open a third-class Post Office at Pailingmiao immediately.

The bandits which appeared recently in the vicinity of Pailingmiao have been repulsed by the Suiyuan troops, a detachment of which is now patrolling the Pailingmiao region in armoured cars.

The rebel units under General Sun Tien-ying, after being reorganized, will be transferred to the northern section of the Peiping-Hankow Railway to fill the posts vacated by the North-eastern troops under General Wang I-che which have been transferred southwards to participate in the bandit-suppression campaign in Honan, Hupeh and Anhwei. General Sun Tien-ying is still at Taiyuan and has no intention to come to Peiping.

Nanking and Canton Estranged as Result of Unpopular Appointments

Following the appointment by General Chiang Kai-shek of General Chen Ching-yun as Director or Military Affairs Department in General Chen Chi-tang's Headquarters and Admiral Chen Chek as Director of the Navy Department in Canton, the attitude of the Canton leaders has suddenly stiffened, according to *Chiao Jan Pao*, Hongkong April 13. Both the Chens are regarded as enemies of Gen. Chen and their reappointment to their original posts by General Chiang without first securing Canton's approval is generally taken as an indication of General Chiang's determination to extend his hand into the affairs of Canton. As a result, the proposed reorganization of the Military units in Kwangtung and Kwangsi has again been deadlocked.

Chow Lu, an influential Party leader in Canton, on April 13 declared that the Canton authorities would under no conditions abolish the two South-west organziations. The statement is significant, as it is believed that without the previous approval of General Chen, Mr. Chow could never have made such a definite statement. This is also taken as a sign of the sudden change of attitude on the part of the military authorities in the South-west towards cooperation with Nanking.

The Nanking authorities are said to have decided to take over the warships now under the control of the Kwangtung Provincial Government as a first step towards unification of army, navy and air forces in the country under the Central Government. The Canton authorities received another telegram from Nanking April 11, urging that the transfer should be made as soon as possible.

At the meeting of the South-western Political Affairs Committee April 10, Chow Lu reported on his conference with Hu Han-min on the political situation and on the latter's views towards the draft permanent Constitution. A discussion on the serious situation in North China then followed. It was decided that the Central Government be requested to make the necessary preparations for coping with the crisis.

General Li Tsung-jen arrived at Hongkong from Canton April 10. General Li is now conferring with Mr. Hu on the situation in the South-west.

General Tsai Ting-kai, commander of the defunct 19th Route Army, departed from Hongkong from Europe April 11 aboard the Italian liner *Conte Roso*. He was seen off by Miss Hu Mu-lan, daughter of Hu Han-min. Interviewed before his departure General Tsai declared that he would first proceed to Italy and then visit France, England, Germany, Austria and Turkey. As he was going in his private capacity, he had no intention of calling on the authorities of these Powers. He added that he expected to remain abroad for a year during which he would study the military organization in the various European countries.

Li Hsi-tung, District Magistrate of Shunning, southwestern Yunnan, has reported to the Government stating that a total of 300 British troops has arrived at Panhung, southwestern Yunnan. Over a hundred British troops are also stationed at Kukan, near Panhung.

Marshal Feng in Financial Straits in Mount Taishan

According to a telegram from Tsinan April 11, Marshal Feng Yu-hsiang is now in serious financial difficulties. During the past six months, he has lived entirely on contributions from the various quarters. His former subordinate commanders provide him with funds from time to time and the Government has also appropriated $50,000 to meet his expenses after his arrival at Taishan.

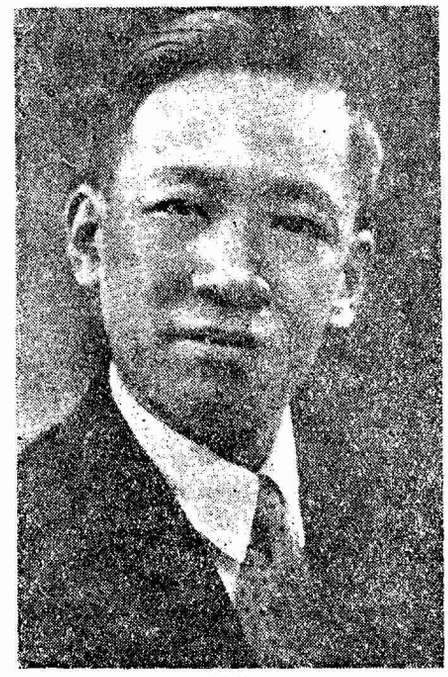
The naval units at Tsingtao have joined the hunt for the bandits under Liu Kuei-tang, who have escaped to the Shantung coast. Two gunboats are patrolling the section

(*Continued on page 311*)

New Chinese Councilors on the Shanghai Municipal Council Elected at Chinese Ratepayers' Meeting Held April 16

(1)

(2)



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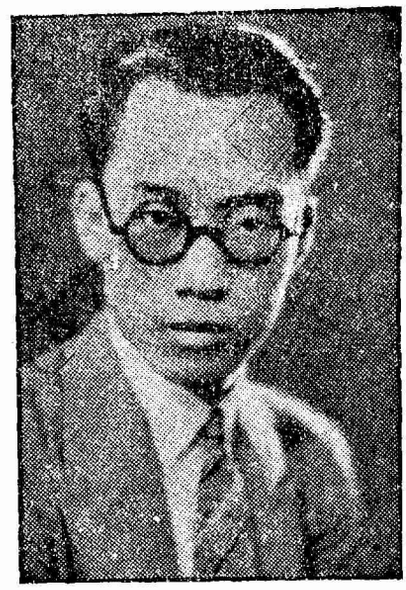


(5)

1. Yu Ya-ching, veteran Chinese shipping merchant, now manager of the San Pei Steamship Company.
2. L. T. Yuan, General Manager of the Ningpo-Shaoshing Steamship Company.
3. Tsuyee Pei, General Manager of the Bank of China.
4. Singloh Hsu, General Manager of the National Commercial Bank.
5. Eugene Y. B. Kiang, son-in-law of Yu Ya-ching and well-known Chinese legal practitioner in Shanghai.

Chinese Ratepayers Elect Council Members

Eugene Y. B. Kiang, Chinese lawyer; Yu Yah-ching, general manager of the San Peh Steamship Co., L. T. Yuan, general manager of the Ningpo-Shaoshing Steamship Company; Singloh Hsu, general manager of the National Commercial Bank; Tsuyee Pei, manager of the Bank of China; were elected as Chinese Councilors for the Shanghai Foreign Municipality for 1933-34 at the general assembly of the Chinese Ratepayers Association April 16. The first-mentioned is a new member; the other four were re-elected. Feng Ping-nan, managing director of the Chapei Waterworks Co., was re-elected Land Commissioner; W. S. Koo succeeded Dr. Chen Ding-sai as the other land commissioner.

The Chinese Ratepayers' meeting was presided over by Wang Hsiao-lai, who in a speech said that while it is inconceivable that a sovereign and independent state will tolerate the existence, within her borders, *ad infinitum*, of an *imperium in imperio*, it is generally conceded, that any change in the status of the Settlement regime, which attains its present state of development only by a long process of evolutionary growth, cannot be consummated by a stroke of the pen. Members of the foreign community have seldom perceived that the character of the Settlement has been subject to such a change that it has lost the distinctive characteristics inherited from earlier days. Similar misapprehensions have been shared by members of the Chinese community other than those who have followed up the developments in Settlement affairs in recent years and are therefore in a position to assess the situation in its true perspective. Mr. Wang referred to the letter of the Chinese ratepayers to the Council six years ago (when Mr. Fessenden was chairman), asking for representation according to taxes paid and expressed surprise that six years later Mr. Fessenden should made a statement to the following effect:—"If harmony and closer cooperation between the Chinese and foreign communities are to be secured and

preserved, it would seem to be obvious that it must be upon some other basis of Chinese representation than that suggested by your association." It is equally obvious, said Mr. Wang, that the Chinese community will not be willing to recede from the position they took on the question six years ago unless and until the new basis of Chinese representation referred to by Mr. Fessenden has been devised to the satisfaction of the Chinese Ratepayers and secures their agreement.

Six committeemen were elected as follows: K. H. Ling, William Gockson (Kwok Zung), Chen Che-chen, Yu Hwa-lung, Wang Yen-sung and Yih Yu-shih.

A set of nine resolutions was passed at the meeting, as follows:

1.—That the Council be authorised to take action in the current year to abolish the Municipal Orchestra and Band and to dispense with the services of the staff in accordance with the Terms and Conditions of Service.
2.—That the Council be authorised to pay particular attention to the provision of more essential cultural amenties in the Settlement.
3.—That the Council be authorised to approach the Authorities concerned with a view to imposing taxes on undeveloped lands in the Settlement at an increased rate of 14 per mille from the date of the passage of this Resolution.
4.—That the Council be authorised to collect General Municipal Rates in respect of vacant and unoccupied premises in the Settlement from the date of the passage of this Resolution.
5.—That the Council be authorised to take action in sending all the vagabond boys in the Settlement to the care of the Chapei Reformatory and to contribute to the maintenance of the institution.
6.—That the Council be authorised to carry out during the current year the letter and spirit of the exchanged notes dated March 26, 1928, in respect of the employment of senior Chinese officials in such a way that the precedent established in the Police Force with regard to the appointment of Chinese deputy executives be followed in the Secretariat and all other major Departments of the Municipal Administration.
7.—That the Council be authorised to take action in arranging the publication, beginning from 1935, in bi-lingual languages, Chinese and English, of the financial statements and budgets for submission to the Association prior to April 1 in that and all consecutive years for the inspection, adoption and approval by the Chinese Ratepayers at their meetings.
8.—That the qualifications to vote and to be voted upon in respect of the election arranged by the Association be expressed in terms of dollars instead of taels as heretofore and that the official rate of exchange be adopted in the conversion.
9.—That in the opinion of this Meeting it is desirable that all the new enactments of the Council should be considered by the Ratepayers prior to their execution, and that when the enactments affect any particular section of the community or any particular form of business, the contents should be communicated to the Association for consideration and for transmission, as the case may be, to the commercial bodies concerned so that all those to be affected will have an opportunity of examining them prior to their execution and if necessary of arranging for the participation of their representatives in the meetings of the relevant Committees of the Council for an expression of opinion with a view to rendering them more perfect, eliminating all future controversies and facilitating their execution.

More Japanese Militia Settlers Going to Manchuria

The Tokyo Overseas Office on April 5 announced the details of its plan for sending the third contingent of militia emigrants, consisting of 500 men, to Manchuria, making 1,500 in all since the original occupation in 1931. Their destination is Tunhuo, Kirin province, and the district along the Harbin-Peianchen Railway in Heilungkiang province. The selected emigrants will be given special training collectively, at places to be decided later, for about one month beginning early in July, this year. Present plans are that they will leave for Manchuria early in August.

It is reported that Colonel Doihara, the Japanese military officer who was responsible for the secret departure of Henry Pu Yi from Tientsin, has secretly arrived at Tsingtao.

Japanese Stage Sham Battles in Peiping Area

More than a hundred Japanese troops staged a sham battle in the outskirts of the East City of Peiping April 10. Despite the protests of the Chinese authorities, Japanese forces in Tientsin and Peiping staged a joint sham battle along the Tientsin-Peiping Railway April 16 with Japanese units from Peiping acting on the defensive and Japanese forces from Tientsin assuming the offensive. Fengtai was the scene of the sham battle. Early the same morning a detachment of Japanese soldiers started an artillery and machine-gun practice outside the Eastern gate, which continued throughout the whole afternoon.

Japanese Military Continues Active in Eastern Chahar

According to reports from Kalgan, Japanese military continues to be active in eastern Chahar. Recently, the mixed garrison of Japanese and Manchukuo troops at Dolonor was increased by 300 soldiers, the garrison on the boundary between Dolonor and Kuyuan by 200 and that of Fengning on the border of Jehol by 300.

With the receipt of a telegram from General Fu Tso-i, Chairman of the Suiyuan Provincial Government, reporting that the bandits under the notorious Yang Hou-siao, from Suiyuan have fled eastwards to Chahar to join the Manchukuo troops under Li Shou-hsin in eastern Chahar, General Sung Che-yuan, chairman of the Chahar Provincial Government, has instructed the Provincial units under General Yuan Hsuan-wu to erect strong defence works in western Chahar, in order to prevent them from entering the province.

General Sung Che-yuan, Chairman of the Chahar Provincial Government, and General Chin Te-shun, Provincial Commissioner of Civil Affairs for Chahar, reached Shangtu on April 14 and proceeded to Paochang and Kuyuan, eastern Chahar, on an inspection trip.

Thirty Japanese infantry units arrived at Fengjun April 11 bringing with them a large quantity of arms and ammunition in six motor trucks.

Manchukuo Police Still at Kupeikou

In spite of the assurances given by the Japanese authorities Manchukuo police at Kupeikou were still continuing (April 15) their functions in searching all incoming and outgoing passengers at that strategic pass. The Japanese now declare that the Manchukuo police cannot be withdrawn until the construction of the new barracks outside the Wall has been completed.

The Japanese Foreign Office April 14 denied rumors circulated by Chinese newspapers in Shanghai to the effect that Japan is conducting a secret military investigation in North China. An allegation that Japan had built an airdrome in Hopei province and is stationing a number of military planes, was declared to be ridiculous.

Bandit Chief Arrested Near Chaochowhsien

General Hsu Fu-lai, chief of the Black Spear bandits, who had made Anta his base of operations, was arrested April 4 by the mixed 3rd Brigade of the Heilungkiang Provincial Army at Shihliangsungtzu, 50 Chinese miles southeast of Chaochowhsien. Seventeen men of his band were also apprehended by the Manchukuo brigade.

Coolies Flee from Conscription in Shantung?

A *Rengo* message from Mukden, April 13 quoted a "certain Chinese" who had recently arrived in said city from Shantung as saying that the huge exodus of Chinese to Manchuria was partly due to the conscription system of General Han Fu-chu, Chairman of Shantung Provincial Government, who proposes to enforce it this year in order to strengthen his position in the province. Thousands of Chinese are fleeing from the province to escape the proposed military service, he said.

More than one and half million piculs of industrial salt is to be exported from Manchuria to Japan during the present year, according to an announcement from the Manchukuo Department of Finance—an increase of 500,000 piculs over last year.

The Manchukuo Government has decided to send 300 girl students to Japan this year. The girls are to be sent to Tokyo or Osaka colleges to study and assimilate the culture of Japan.

Manchukuo Finance Minister Returns from Japan

Hsi Hsia, the Finance Minister of Manchukuo, who had been making a tour of Japan, departed from Tokyo on his return to Changchun April 11.

Eighty Percent of Old Notes in Manchuria Withdrawn

As the circulation of the various forms of currency issued by the former regime will be prohibited after June 30, holders of the old depreciated notes are exchanging them for the new Manchukuo currency at the head office of the Central Bank of Manchu and its branches throughout the country in increasing numbers lately. So far 80 percent of the old notes have been withdrawn.

Confucianism to Be Encouraged in Manchuria

Confucianism as a religious sect will be encouraged in Manchukuo, the Ministry of Education having ordered various local organizations throughout the country to restore the temples of Confucius, which have fallen into decay due to lack of maintenance fund.

Manchukuo Premier to Resign?

The *Osaka Mainichi* is quoted in the *Japan Chronicle* April 8 as stating that when Mr. Cheng, the Manchukuo Envoy and Premier at Changchun, visited Premier Saito in Tokyo to say his farewells April 4, he expressed his intention to resign at the first opportunity after his return home. Mr. Cheng, after referring to the consummation of the independence movement of Manchukuo with the constant friendly help of Japan and to the recent adoption of the monarchical form of government, stated that he now flattered himself that he has already largely fulfilled his weighty responsibility. Future constructive work in his country, he said, required the services of younger and more talented statesmen than himself. After his return home, therefore, he intended to tender his resignation to the Manchukuo Emperor at an opportune moment. Admiral Saito, however, earnestly asked him to give up his idea of resigning. He reminded the Manchukuo Premier that he was even older, and yet had made up his mind to continue in office and serve the State, in view of the present emergency situation.

Japanese Military Train Partially Wrecked by Bandits

A Japanese military train carrying the Saito Corps of Wakayama Detachment was partially weecked April 17 and derailed by some explosives apparently planted on the railway track by communist bandits, 6 kilometres east of Hengetaohotzu, of the Chinese Eastern Railway eastern line.

A fire of an unknown origin broke out in the barracks of the Japanese garrison troops at Manchuli, on the night of April 16.

Railway Communication Between Tokyo and Changchun to Be Speeded Up

The railway connection between Tokyo and Changchun will be considerably speeded up when the joint plan of the Japanese Railway Ministry, the Korean Government Railways and the South Manchuria Railway is brought into realization. It is anticipated that nearly 11 hours will be saved in the trip through the opening of the new tunnel near Hakone and the extension of the express service on the Korean Government Railways, which at present is operated between Fusan and Mukden, to Hsinking.

New Japanese Railway Being Built to Compete With C.E.R.

Construction work has started, under supervision of the South Manchurian Railway, along the eastern line of the Chinese Eastern Railway, between Hailin and Mutankiang, in a zone in direct proximity to the railway track. Buildings are being erected, building material brought, and underground work carried out. The new railway, known as the Tumen-Ninguta-Sanhsing-Fuchin, projected towards Habarovsk and built by Japanese direction, crosses the Chinese Eastern Railway line, and is to be constructed under the C.E.R. track. Mr. Rudy, manager of the C.E.R., has submitted two reports to the Chinese Eastern Railway Board concerning the arbitrary acts of the South Manchurian Railway agents in the zone of the C.E.R., pointing out that the underground work in the vicinity of the C.E.R. track constitutes a direct danger to the train traffic of the line, owing to possible cave-ins.

Gudok, organ of the People's Commissariat of Railways and Highways, comments as follows on the C. E. R. report for 1933: "The argument that the line was unprofitable was put forward by those who, having evidently lost any sense of humor, offered the Soviet Union, the owners of the railway, 50,000,000 yen for the C.E.R., in place of the Soviet price of 230,000,000 gold roubles. Notwithstanding all possible devices by the powers that be, the Chinese Eastern Railway continues to play the leading role in the economy of the region. The Chinese Eastern Railway is a highly profitable enterprise. Its economic stability is so firm that, as can easily be seen from M. Rudy's report, it has successfully overcome all the immense difficulties artificially placed in its way."

Describing the conditions around Vladivostok, a certain foreign official stationed in Harbin who has recently returned to said city from a tour of inspection of the district, is quoted by *Rengo* as saying that, although the military preparations have been mostly completed in Siberia, the Soviet Union has no intention of commencing hostilities. He continued that the people of Vladivostok share the opinion that it would be wiser for Japan to purchase the Chinese Eastern Railway than to declare war against the U.S.S.R.

Gen. Hishikari Opposed to Transfer of S.M.R. Zone Administration

It is reported in Changchun that the Headquarters of the Kwantung Army and the Japanese Embassy to Manchukuo are absolutely in opposition to the proposal of Ryutaro Nagai, Overseas Minister of the Tokyo Government, for the transfer of the administrative authority in the zone, which at present is exercised by the South Manchuria Railway, to the Japanese Government. The authorities of the Kwantung Army contend that the proposed transfer is meaningless in view of the fact that the Japanese authorities in Manchuria has already decided to abolish Japanese extrality in Manchuria at some opportune moment in future and are busily engaged in making preparations for the proposed change.

Omnibus Accident Precipitates Controversy Over Outside Roads Issue

The killing of a Chinese cyclist on Connaught Road, which extends into Chinese territory from the International Settlement, by a bus belonging to the China General Omnibus Company, has again brought up in acute form the dispute between the Chinese and foreign authorities over the so-called outside roads issue. The incident occurred on April 14 while two buses from opposite directions were passing each other. These are indications that the victim was first struck by one bus and then run over by the other. The man was pinned under the bus in such a manner that his body could not be extricated, so bus employees started to jack up the vehicle with the object of removing it. A dispute then arose between police belonging to the Foreign Municipality and police from the Chinese area who had arrived on the scene, with the result that there was a delay in extricating the body. The dispute mainly centered about the insistence by the Chinese police that a photograph of the man under the car should be taken before he was removed. This brought forth allegations form the *North China Daily News* that the man was still alive and that his life might have been saved if he could have been removed promptly. As it was, the body was not removed until about 50 minutes after the accident. A report on the incident by Col. Tam, chief of the 6th District of the Bureau of Public Safety of Greater Shanghai, stated that part of the delay was due to the refusal of the Foreign Municipal Police to allow the picture to be taken.

The Bus Company officials particularly objected to the picture being taken. Allegations were made that the Chinese police assaulted one of the Municipal foreign police and also that a foreign police officer struck the mother of the dead cyclist. The incident, on the whole, was just such a one as would likely occur—and probably more to come—so long as the question of the jurisdiction of the outside roads remains unsettled.

Mausoleun Dedicated at Peiping

General Hsu Ting-yao, Commander of the 17th Army, arrived in Pengpu from Peiping April 13 to attend the inauguration ceremony of the mausoleum erected in honor of the dead officers and soldiers of the 17th Army. The tomb is dedicated to the war dead who sacrificed their lives during the bandit-suppression operations and the campaign of resistance against the Japanese invasion in North China.

Japan Warns Powers "Hands Off China"

A spokesman of the Japanese Foreign Office issued an informal statement April 17 of an important character on the relationships of China and Japan, particularly aimed at limiting China's freedom of action in its relations with other Powers. The full text is not yet to hand. Both Reuter and Rengo sent summaries. The one below is by Reuter:

"Japan is in a position to do her best to carry out her mission in the Orient, and though there may be a divergence of opinion between the position of Japan and that of other nations towards China, such as led to Japan's withdrawal from the League of Nations, nevertheless Japan deems it natural to maintain peace in the Orient by herself, and on her own responsibility.

"She also will share simultaneously with China the responsibility in maintaining peace and order in the Orient.

"In view of the fact that the restoration of order in China depends on China herself, Japan cannot help opposing any of China's measures which might be contrary to peace in the Orient.

"Furthermore, Japan will be forced to object to any measures on the part of other Powers, which are likely to lead to disturbance of peace in the Orient.

"For example," the statement added," the providing of China with military aeroplanes and military instructors, and the giving of political loans are among the measures which are doomed to be met with opposition from Japan.

"We deem it necessary to clarify Japan's position towards China upon hearing of the proposed joint assistance of other Powers to China."

Italian Rejuvenationist in Central Asia

A Orlandini, Italian rejuvenationist, who used to maintain an office at the Hamilton House in Shanghai, has been at large for the past half a year roving over Central China and Middle Asia. After being reported lost for some time, the Italian traveller, accompanied by Walter Bosshard, Swiss newspaper, has reappeared in Mongolia, according to a *Reuter* dispatch from Peiping on April 11. He is now being dubbed by his friends as the second Marco Polo of Italy.

Leaving Shanghai in June of 1933 Dr. Orlandini traveled up the Yangtsze as far as Chungking whence he went to Chengtu in Szechwan, Sian in Shensi and Lanchow in Kansu.

From Lanchow he traveled down the Yellow River on a boat made of goat-skin bladders to Paotow. Then traveled from Paotow to Kueihua, whence he proceeded to Pailingmiao.

Leaving Pailingmiao on November 22 of last year accompanied by a Lama, he set out for Edsin Gol on his way to Urumchi, the capital of Sinkiang, he arrived at Edsin Gol on March 8 and is now on his way to Urumchi.

U. S.-Japanese Relations as Reflected in the New Philippines Independence Bill

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from Various Japanese Publications)

THE independence of the Philippines was occasionally brought up for discussion even before the Congress approved on January 17, 1933, the Hawes-Hare-Cutting bill granting independence to those islands. For a few months after that the question was taken up for discussion by various periodicals. Again it revived in March of this year when President Roosevelt sent a message to the American Congress relative to the independence of the Philippines.

At the time the Congress approved on January 17 last year the Hawes-Hare-Cutting bill the international situation of Japan was unsettled in consequence of her unfortunate relations with the League of Nations and it is possible that the restless atmosphere must have been reflected in the people's opinions on the question of Philippine independence. This time, however, the improved sentiment between the two countries of the United States and Japan through the much discussed Hirota-Hull messages of friendship in February and March and the elaborate celebration on March 30 of the 80th anniversary of the signing of the Kanagawa treaty concluded between the Rokugawa Shogunate of Japan and the American envoy Commodore Perry, must be taken into due consideration in weighing the opinions of the Government and the public.

From the beginning of last year several leading critics such as Dr. Katzuji Inahara (稲原勝治) and Masao Makiuchi (牧内正男) expressed through publications their opinions regarding the independence of the islands, but their contentions were based on the Hawes-Cutting bill which passed Congress on January 17 last year, vetoed by the President Hoover and rejected by the Philippine legislature in October last year. As it is evident that their views on the present McDuffie-Tydings bill would be different to no meagre extent from those on the Hawes-Cutting bill and as no comments on the former are yet available in publications other than newspapers no comment on the latter is introduced here. It is the *Osaka Mainichi* and the *Tokyo Nichi Nichi* that have closely followed up the development of the independence affair and while the four leading Tokyo and Osaka papers give pretty elaborate comments on the passage of the new bill practically no other paper editorially commented on the affair. Opinions of the Government circles are as follows.

Opinion in Government Circles

Foreign Minister Hirota expressed his intention relative to the Philippines independence in his answer to the query put by Baron Sakamoto at the general budget meeting in the House of Peers on February 23 as follows. (From the stenographic records of the *Official Gazette*):

Baron Sakamoto:—I remember that Mr. Castle repeatedly declared at public gatherings to the effect that the United States will not hesitate to recognize the Japanese navy's supremacy in the western Pacific. If on our part we recognize the American naval supremacy in the eastern Pacific or a mid-Pacific neutral zone is created, I am confident that it would greatly contribute to preventing conflict between the two countries. I ask the Foreign Minister's opinion.

Foreign Minister Koki Hirota:—To divide the Pacific into two sections and conclude an agreement thereon or guarantee the independence of the Philippines is I think a question actually considered by nations of both countries. If the creation of an agreement on such an affair can satisfy the United States, I should think that it is not so difficult a question. These questions shall be properly dealt with after I have received reports on them from Ambassador Saito.

Foreign Office Authorities:—With the passage by the American House of Representatives of the Philippines independence bill on March 19, Japan, realizing that if American intentions are as reported, will, of her own free will, guarantee the independence of the islands. Furthermore, it is possible that Japan will contract a political agreement for the establishment in the western Pacific Ocean of a neutral zone with the Philippines as the centre (The *Tokyo Nichi Nichi*, March 23).

Ambassador Saito:—In his statement regarding the future of American-Japanese friendship Ambassador Saito remarked as follows: "Regarding the independence of the Philippines and the security of the country, it is obvious that Japan has no intention to violate her territorial integrity. Accordingly, there is no necessity for discussing it, but if the United States want to have any agreement about it with Japan, we will consider it, of course." (*Tokyo Nichi Nichi*, March 23).

Press Opinions

Osaka Mainichi, March 2.—It is quite clear that the question of Philippine independence is purely an issue between the United States and the people of America's Far Eastern possession. As far as we are concerned, we are desirous of staying friendly with both the United States and Philippines, and it is only for us to extend our best wishes to both that they may settle their political question as they mutually see fit.

During past years, we have always respected the insular neighbor to the south as belonging to the United States, and if America can manage to make the Filipinos agree to stay under the Star Spangled Banner, we shall continue to extend our goodwill to the "Little America" to the south. However, if the United States gives freedom to the Phillippines, we shall be equally ready to welcome a new independent neighbor.

Certain elements in America have for years been utilizing Japan as an excuse for not giving independence to the Filipinos. The allegation that we are a bunch of land-grabbing imperialists who would jump on the Philippines the minute the islands are freed from American control is so ridiculous that we have not so far taken the trouble to deny it. Now another group of Americans who are anxious to get rid of the Far Eastern worry are advocating that the Philippines ought to be given independence on the condition that Japan would pledge herself to guarantee her southern neighbor's independence.

Of course, there is nothing objectionable in our giving this guarantee if both the United States and the Philippines desire to have it, but we are by no means anxious to become a watch dog for the Philippines any more than to be a wolf, as has been the case until now.

As we have already expressed, we are desirous of maintaining friendship with both Washington and Manila, and these two cities can rest assured that we shall be ready to play our game fairly, no matter what takes place between the two. The independence issue will not alter our policy toward them in the least.

Tokyo Nichi Nichi and Osaka Mainichi, March 11.—Granted that the Congress agrees with President's message, the Philippines may yet oppose the bill as lacking thoroughness. At any rate, the fact that the Roosevelt administation has conceded so much in the defense question of the Islands must be regarded as a remarkable turn toward liberalism and pacifism, at least, in comparison with the Philippine policy and also the Far Eastern policy of the preceding Republican administration. The chief ground on which the preceding administration opposed the Philippines' independence was its apprehension that the islands might be swallowed up by Japan once they became independent. This is what was stated, at that time, by President Hoover and Secretary of State Stimson.

Since the inauguration of President Roosevelt, the U.S.-Japan relations have been resuming their traditional cordialty. In the Philippines policy, as revealed in the President's message, we believe we are able to see an American Far Eastern policy which correctly observes the realities. If the opinion of the Washington and Manila authorities agree and the independence of the islands is realized, is not out Government prepared to give a definite pledge to guarantee their independence? This invention was indicated in the answer made by Foreign Minister Koki Hirota at the general budget meeting in the House of Peers on February 23.

In the bill there is a stipulation that in case the Philippines become independent, negotiations should be opened with the Powers for the purpose of concluding an agreement to make the islands a zone of perpetual neutrality. If the proposal is made by the United States with a motive shorn of any ulterior intentions,

the Powers with interests in the Pacific will certainly approve the proposal. Although the independence of the Philippines may take some years to become a fact, if the mutual understanding between Japan and the United States steadily develops, through this Philippine question, it will contribute much not only toward improving the U.S.-Japanese relations, but also toward promoting the peace of the world.

Tokyo and Osaka Asahi, March 27.—The McDuffie-Tydings bill was signed by President Roosevelt on March 14 and is now waiting for the approval by the Philippine legislature and the Filipinos. The significance of the new independence bill lies in that it, unlike the Hawes-Hare-Cutting bill, can be said to be a Government bill which discloses the Government policy toward Philippines independence.

As regards the contents of the bill, whether the Filipinos are thoroughly contented with them is doubtful, but that it provides for withdrawing all of the American military bases in case the Philippines becomes independent must be said to be evidence of its having made an improvement on the last year's bill.

The question of Philippines independence has long been a topic in the United States, theorists even insisting on the reasonableness of their promptly being given independence. It is recalled that upon the Hawes-Hare-Cutting bill passing both houses, Secretary of State Stimson, fearing that Japan might take possession of the freed islands, attempted to obstruct the materialization of the bill by means of sounding a warning to the Congress. Since the appearance of the Roosevelt administration, however, such misgivings have been replaced by a dispassionate hope that the independence of the islands might contribute something to mitigate the threatening situation in the Orient; hence the overwhelming support the new bill enjoyed in both houses.

The question would have nothing to do with us if it were not for reports intimating that, in the event of the Philippines becoming independent, the United States contemplates to find means for guaranteeing perpetual neutrality of the freed islands. Although no doubt the reports are welcome as an important factor to purify the suffocating atmosphere in which stand the relations of the two countries, we wonder whether there is need for creating a zone of perpetual neutrality with the islands as the center, as the result of the passage of the bill guaranteeing independence ten years after, in view of the fact that the maintenance of status quo of the Pacific islands is already guaranteed by the Four Power Pact of the Washington Conference. Especially, since the United States has decided on retaining her navy and coaling station in the islands, holding herself responsible for the defense of the islands, militarily no new departure is observable. In as much as Japan has no design to invade into freed islands, the United States, by granting independence to the islands, will sow no seeds of apprehension as regards the maintenance of peace over the Pacific Ocean. We welcome the Philippines independence in the hope that it will prove a motive power to start peaceful diplomatic measures on both sides, but are afraid that such negotiations on the creation of a neutral zone as are fraught with suspicion and jealousy might bring unfavorable effect upon the future relation of the two countries. It is therefore premature to take up the question of starting negotiations between the two countries on the independence issue. Only we are pleased to see that the cherished aspiration of the Filipinos is gradually nearing realization, and pay our respects to the Democratic Party's endeavor toward reaching the goal which it pledged in public in order to act up to the will of the Filipinos.

Tokyo Nichi Nichi and Osaka Mainichi, March 29.—The McDuffie-Tyding bill was signed by the President on March 24 and as far as this new bill is concerned the remaining question is whether the Philippine ligislature will accept it or not. As some of the Filipino legislators are already reported to be planning the draft of a resolution accepting the bill, and a special session of the legislature is rumored to be projected for that purpose, the prospects of the bill may be said as quite rosy.

As far as the military condition is concerned, the Filipino desires, although not completely satisfied, are nearly fulfilled But in regard to economic conditions, no amendment is made. This will become an issue between the Philippines and America later, and must be looked to with dissatisfaction by the Filipinos, who aspire to realize complete or near-complete independence. As there are many among the Finipinos who will attempt "not to lose the benefit accruing from being dependent on American control," the prospects of the new bill may not necessarily be optimistic.

However, the American attitude toward the Philippines will be decided by American interests alone. There are opinions based on the Philippines interests, but they are extremely few in number. Needless to say, those who support the bill, are not such as to forget to shape it according to American interests.

The favorable attitude toward Philippines independence is motivated from this standpoint. The curtailment of duty-free Philippine products to America, the restriction of Filipino immigration to the United States, and so on, are traced to the "American interests" viewpoint. While the Filipinos may aspire to attain complete independence, a satisfactory solution of the problem must be regarded as rather difficult unless this American motive is taken into consideration.

Observing the situation from our own point of view, although it concerns only America and the Philippines, we cannot remain indifferent when the issue concerns the firm establishment of peace in the Orient. America has long assigned sinister designs on our part toward the archipelago. The vetoing of the Hawes-Hare-Cutting bill by President Hoover was attributable to this apprehension.

Since the inauguration of President Roosevelt, the relations betweens America and this country have been steadily returning to their traditional condiality. The messages exchanged some time ago between Foreign Minister Koki Hirota and Secretary of State Cordell Hull seem to have furthered this tendency. But the stipulations in the new bill regarding naval bases undeniably reveal that much of this misgiving is still influencing the Americans.

Such unwarranted anxiety is never the way to brighten the atmosphere of the Orient; it will prove an obstruction to a closer approach of Nippon and America. If Washington will throw aside this unnecssary worry and proceed speedily to negotiations for, say, guaranteeing the perpetual neutrality of the Philippines, it will not only contribute toward amity between the two countries but will prove a signal service for the peace of the world.

Chinese Authorities Put Ban on Strikes

The Headquarters of the Shanghai-Woosung Garrison issued a proclamation April 11 prohibiting further strikes in the Shanghai-Woosung area. The proclamation declared that should a strike be staged by the workers their labor unions would be sealed up forthwith. The proclamation also forbids maltreatment of workers by the capitalists and factory owners. The proclamation was issued in consequence of the disturbances caused by the Mayar Silk Filature workers who beseiged the Shanghai City Government's Social Affairs Bureau April 10 asking for unemployment relief.

The Shanghai *Chen Pao* commented :—"General Chiang Kai-shek has recently issued a circular order to the country prohibiting further strikes, sabotage and lockouts. General Chiang laid special emphasis on the prohibition of ill-treatment of workers by their employers. Such measures can harmonize the ill-feelinge now existing between employers and employed and at the same time it is the best measure for the prevention of class struggle. If the local authorities can carry out General Chiang Kaishek's orders in both letter and spirit much labor trouble can be avoided in the future. Production in the country will be benefitted by the absence of labor troubles—which will in the long run increase the prosperity of the nation. Industrial development in Japan should serve as a lesson to China. Japan knew that her industry was not fully developed and her people began to struggle for its development. Japan is now a strong nation but she gained her present position not through the strength of her army and navy but through her rapid industrial development. The reason why Japanese industries can be so rapidly developed is because labor troubles in Japan are practically non-existent. Employers and employees live together like brothers and they treat each other properly as they should."

Tai Chi-tao Deplores Tendency to Excavate Graves

An urgent appeal for more adequate protection of historic tombs was made by Tai Chi-tao, President of the Examination Yuan, in a circular telegram to President Wang Ching-wei, General Chiang Kai-shek, and Dr. Tsai Yuan-pei, President of the Academia Sinica, April 12. Deploring the recent tendency on the part of certain scientists and scholars to excavate the graves of the Great Dead in the name of Science, President Tai pointed out that there are thousands of more urgent tasks awaiting the attention of the Chinese *literati*. Surprise is therefore expressed that they should concentrate their energy on the excavation of ancient tombs—an act absolutely incompatible with China's traditional morality.

Teachers in Hopei Provincial Schools Ask for Salaries

A deputation of the teaching staff and employees of the various Provincal schools called at the Hopei Provincial Government April 12 to petition for payment of their salaries. General Yu Hsueh-chung, Provincial Chairman, said that despite the depleted state of the Provincial Treasury, the Government will do its best to raise funds for the development of education in the province. General Yu urged them to carry on their duties calmly while the Government devises means to meet their claims.

Influence of Mitsui and Mitsubishi in Japanese Political and Economic Life

BY T. TACHIBANA

This is the second of two remarkable articles dealing with the widespread and often demoralizing influence of the powerful Houses of Mitsui and Mitsubishi in Japanese political and economic affairs by a well known Japanese authority on economics.

It is a glaring fact to all that there exists a close relation between the Minseito and Mitsubishi interests. It is not a relation of recent origin: but is traceable to the earlier days of Meiji when this giant financial concern was still in the initial stage of erection in accordance with the plan laid down by the late Ryohei Toyokawa. Mr. Toyokawa, later founded the Boshin Club, a social institution for political and business men, in order to promote the interests of Mitsubishi by bringing into line such statesmen as the late Yuko Hamaguchi, premier of a former Minseito Cabinet, Kojiro Tomida, leader of the Minseito Naoharu Kataoka, former Finance Minister; the late Mitsugu Sengoku, former president of the South Manchuria Railway Company and some others who were born in Tosa, a clan under the feudal system and at present the whole administrative territory of Kochi Prefecture, which is the home of the Iwasaki family, who own the capital of Mitsubishi in its entirety. Afterwards, the club became consolidated with the Doshikai, precursor of the Minseito party, which was led by late General Taro Katsura.

The consolidation was made the target of vehement accusation from the leaders of the Seiyukai and Kojunsha who alleged that it was a feint on the part of Mitsubishi capitalism that the new body was a mere puppet creation of the latter. Consequently General Kotsura succumbed to the move and was finally obliged to go out of office. After his death, the late Marquis Okuma, the Sage of Waseda who had long been on close terms with Mitsubishi, had taken over the presidency of the Kenseikai, successor to the Doshikai, in which the late Count Takaakira Kato, the son-in-law of Mr. Iwasaki, played an important role. Count Kato then succeeded Marquis Okuma as the president of the party, and had managed to carry it on, under the financial aid received from Mitsubishi through the following ten years when it was out of power. That party, which was later given the new title of the Minseito, has since been in the grip of Mitsubishi and the statesmen from Tosa, including Baron Shidehara, Baron Tatsuo Yamamoto, the late Hamaguchi, the late Sengou and others.

It is widely known that Baron Shidehara is the son-in-law of Y. Iwasaei, as, was the late Count Kato. It is because of this that he has long been looked upon as the most probable future president of the Minseito, and that Mr. Adachi was never able to head the party in spite of his vast potential influence in it and at last seceded from it permanently in despair at his poor and hopeless chance. Baron Shidehara, however, is not likely to take over the reins of the party in the immedaite future, at least so long as the present state of things continues. The late Hamaguchi and Sengoku had been in high favor with Mitsubishi, and were pushed to the front energetically by the late Toyokawa in order to bring into line all the statesmen from Tosa. Sengoku had lived a life of faithful support to Mitsubishi, taking over the entire charge of adjusting the relations between the Minseito and the capitalist concern. The eminent statesmen of Mitsubishi, however, have passed away one by one in recent years, with Baron Shidehara as the only surviving leader. The late Junnosuke Inouye, Finance Minister, who was shot to death in February 1932, was also so strongly backed by Mitsubishi as to give rise to the general belief that he would very likely become the head of the party after Mr. Adachi deserted.

Mitsubishi and the Bank of Japan

As already suggested in a preceding chapter, Mitsui along with the "Choshu" military and political clan had been dominating the state finance of the Meiji Government by reason of its controlling power over the National Bank of Japan, which was established in those days along the American banking system in accordance with the plan prepared by the late Viscount Shibusawa. This was a challenge to the "Satsuma" clan, another powerful military and political group throughout the Meiji and Taisho periods, which in fact never laid down its arms in the struggle for financial supremacy, and attempted to continuce the fight by becoming more and more intimate with Mitsubishi capitalism. And one of the outcomes of the attempt was the marriage between the eldest daughter of Y. Iwasake and the second son of the late Masayoshi Matsukata, a celebrated statesman of Satsuma, who had been in control of the Ministry of Finance for many years during the Meiji period.

Matsukata's campaign against the financial bloc of Mitsui and the Seiykai resulted in the abrogation in 1882 of the charter of the National Bank of Japan on the pretext of its excessive issuance of inconvertible notes, and the establishment of the Bank of Japan, which took over the entire business of the former with the exclusive right to issue bank notes. The Bank of Japan had since been managed by such Mitsubishi men as the late Koichiro Kawada, Y. Iwasaki and Baron Tatsuo Yamamoto, who built up in the bank a Mitsubishi influence of such proportions that it might well be compared with that of Mitsui in the former National Bank of Japan.

The late Junnosuke Inouye had been in the bank for the greater part of his life, rising from the position of a young clerk to that of a high executive, under the special care and protection of Sadakichi Tsuruhara, who served two presidents of the bank, namely, Kawada and Iwasaki. It is therefore natural that he had in the meantime become more inclined to favor the interests of Mitsubishi. He remained faithful to the firm all his life, at the last stage of which his standing in the financial circles was a match for that of Mr. Ikeda of Mitsui. It is known that after the death of Mr. Hamaguchi he diposed of all affairs between the Minseito and Mitsubishi.

Nippon Yusen Kaisha and Others as Proteges of Mitsubishi

Mitsubishi has its preponderant interest in finance and heavy industry so as to contrast with Mitsui, whose chief concern is in Mitsui Bussan Kaisha, handling commercial and trading operations. Mitsubishi therefore has its principal subsidiaries and affiliated concerns within the sphere of finance and heavy industry.

The Nippon Yusen Kaisha is apparently under the control of Mitsubishi. This steam navigation company was originally established as an actual subsidiary of Mitsubishi, but later it had shaken itself free from the yoke until a few years ago when Kenkichi Kagami assumed the presidency with a majority of the shares of the company. It may be regarded now as a direct subsidiary of Mitsubishi. Steam navigation and ship-building were the two main operations of Mitsubishi in its genesis early in the Meiji period. It has, therefore, been a constant ambition of Mitsubishi to have its own way in this semi-government steamship company; and it carried forward its ambition again a few years ago when it got possession of the whole block of shares held by the Imperial Household Department, thanks to the alleged special partiality of Viscount Makino, Minister of the Department, a man of the Satsuma clan who has been a friend of Mitsubishi. And Mr. Kagami, president of the company, was nominated to the House of Peers while the Minseito was in power.

Mitsubishi holds an impregnable influence in insurance business. It controls the Tokyo Marine and Fire Insurance Company, one of the leading insurance firms not only in Japan but in all the world. With Mr. Kagami as the president, it commands by means of capital many other insurance concerns such as the Meiji Fire Insurance Company, Toyo Marine and Fire Insurance Company, Toyokuni Fire Insurance Company, Taifuku Marine and Fire Company, Fukuju Fire Insurance Company and several other insurance firms of importance.

The Yamaguchi Bank, Nippon Electric Power Company Kaichiro Nedzu, who owns controlling power in many electric railway enterprises, and Kunizo Hara, president of the Tokyo Savings Bank, are all regarded as affiliated with Mitsubishi financially or on account of their industries and allied with the Minseito politically. Yoshizo Ikeo, president of the Nippon Electric Power Company, is considered as a contributor to the Minseito because of his antagonism against the Osaka Shosen Kaisha and its subsidiaries, and was vested with a charter to distribute his electricity to Tokyo while the Minseito was in power. The Yamaguchi Bank has its political representation in the Minseito in the person of Chuji Machida, advisor to the party.

Kaichiro Nedzu is one of the leaders of the capitalists and businessmen whose home is in Koshu, administrative territory of Yamanashi Prefecture. This financial group is represented in politics by Mr. Nedzu himself and Mr. Torataro Kawanishi, a director of the Tokyo Electric Light Company. The Aikoku Life Insurance Company, which is actually dominated by Kunizo Hara, is related very closely to Mitsubishi, with a resultant apparent alliance with the Minseito. The Kawasaki Daikyaku Ginko (Kawasaki 100th Bank) is also considered by many as more attached to the Minseito on account of what it owes to the late Mr. Inouye for its establishment, as a result of the merger of the former Kawasaki Ginko and the Daihyaku Ginko.

Mitsubishi Related to the Satsuma Clan by Ties of Blood

While Mitsui had been busily engaged in promoting its interests under the aid of the Choshu clan, very conspicuous had been the growing relations between Mitsubishi and the Satsuma military and political clan through a series of marriages.

The author has already dealt with the marriage of the daughter of Y. Iwasahi with the son of the late Matsukata. There are many more instances of the kind. Admiral Viscount Saito, a leader of Satsuma, adopted as his heir the fifth son of the late Mr. Toyokawa of Mitsubishi. Marquis Toshitake Okubo, the third son of the late Toshimichi Okubo, who was one of the three most important statesmen of the earlier Meiji, married the daughter of the late Rempei Kondo of Mitsubishi, while his elder brother Viscount Nobuaki Makino, Minister of the Imperial Household Department, has been on close terms with Mitsubishi men through his younger brother. There have been many marriages of convenience between the Iwasaki family and the men of Shimadzu, descendants of the lord of the Satsuma clan as he was called under the former feudal system.

It has often been reported that the men of Satsuma who had important posts in the Imperial Court have closely allied themselves with the men of the Minseito for political purposes. The readers may admit the report if they call to mind the rumors concerning the resignation of a certain high official of the Department of the Imperial Household, circulated by men of the Seiyukai last year. The report may further be endorsed if one takes into account the fact that General Tanaka was forced to resign his post as Premier, as a result of intense accusation in the Diet against his alleged participation in a certain incident in Manchuria in the last year of the Mukden War Lord Marshal Chang Tsoling; and the Diet accusation was planned by Satsuma statesmen including Marshal Uehara.

There are many more facts to support the report. Some people believe that 200,000 shares of the Nippon Yusen Kaisha held by the Imperial Household Department were sold to Mitsubishi with the ostensible reason that the company had long been passing dividends, but actually with a view to affording Mitsubishi a chance to control the majority of shares of the company. And a section of opinion holds that there were sufficient grounds for believing that high officials of the Imperial Court who are men of Satsuma were supporting the diplomatic policies of the Minseito after the Manchurian incident broke out. These various matters are all contributing in some way or other to the general belief that there have existed long continued relations of a very special character between the Minseito, Mitsubishi and the men of Satsuma.

Mitsui and Mitsubishi Under Mandate of Parties

A section of opinion holds that the Seiyukai and Minseito have been opposed to each other not so much for their political stands, which distinguish one very definitely from the other, as for their traditional resentment and antagonism. There is no denying this accusation if the general principles of their political platforms be taken into acount. A careful observer, however, will discover a difference in the financial policies of the two parties, which are, as pointed out by some, under actual mandate of the two biggest capitalists in the country. I now desire to deal at some length with the matter before drawing this chapter to a close.

Mitsubishi Is Financier, Mitsui Is Industrialist

As already suggested in the preceding chaper, Mitsui has its greatest interest in commercial enterprise, with the Mitsui Bussan Kaisha as the largest and pivotal operation, which controls a very large numbet of subsidiaries and affiliated industrialists throughout the country. But Mitsubishi is more engaged in a far bigger way in financial operations and heavy industry than in commercial deals. It controls only a few commercial firms: whereas it directs a decidedly larger number of banking institutions, and insurance companies among which the Tokyo Marine and Fire Insurance Company stands out very predominantly, together with such heavy industries as shipbuilding, mining and the like, which occupy an almost exclusive part of the whole manufacturing industries of Mitsubishi. Consequently Mitsubishi always covets a financial policy which affords more protection to the financial capitalist than to the industrial capitalist. It is, therefore, no wonder that the policies totally in favor of financial capitalists were introduced into the financial platforms of the Minseito party by the late Finance Minister Junnosuke Inouye, a protege of Mitsubishi.

But the partiality to the financial capitalist is unwelcome, or even detrimental, to the interest of Mitsui, an industrial capitalist which has its predominant concern in commercial enterprise and controls a very large number of major and minor industries of various kinds. Cotton textile and other miscellaneous manufacturing constitute by far the preponderant part of the whole industrial operations of Mitsui as distinct from insurance business, as the largest factor in the enterprises of Mitsubishi. It is for this reason that Mitsui has recourse to more intense protection of home industry, and that the Seiyukai party proceeds with such protectionist policies as directly or indirectly benefit local production, for example the restriction of imports, the five years' industrialization plan intended to lower production costs and bolster up export trade, the control of home production, the imposition of a protective tariff, the subsidizing of home manufaccturing, the increase in the output of gold bullion, the national control of rice, silk, marine products and other principal staple products, and the relief of the agricultural population. The party advocates an embargo on gold export and a positive economic policy embodying the floating of a huge national loan, undoubtedly in order to provide industrial capitalists with better surroundings. These policies make a striking contrast to those which have been held up by the Minseito Party, such as the stabilization of the yen exchange, and an increase in the international receiving account and free gold system, which will apparently benefit the financial capitalists of the country.

"Party Politics" Is a Misnomer for "Plutocrat Politics"

The Seiyukai has been advocating an economic policy that was professed by itself as "positive" in its practical effect, while the other was what was described by people as "negative." Apparently these policies are nothing more than plausible expressions of the intrinsic desires of the big capitalists which the two parties represent in politics. If the true motives of the political parties were brought unrelentingly into broad daylight, people would hardly be able to find anything which would endorse the sincerity in the mind of the politicians for proper politics, fine constitutionalism and the betterment of national life. It may rather be said that they have completely succumbed to the yoke of the capitalists and have nothing to offer in the way of distinct policies for their political platforms. It was in reality with a view to benefiting their financiai supporters that in the past they put and then removed the ban on gold export, floated enormous loans and put into force numerous other financial measures on the ostensible grounds that they were of absolute necessity for the welfares of the nation at large. I may assert that the two parties differ to some extent in their platforms as far at least as their financial policies are concerned, simply because they represent the interest of different capitalists—financial capitalists and industrial ones.

It is a stern truth of today that party politics is a misnomer for plutocrat politics. Politicians of the existing parties are thus in the absolute grip of plutocrats. They would never be able to achieve any success in their political life if they had no money and no favor with their capitalist supporters, however lofty their political ideals and principles might be and however worthy of respect they might be in their learning, personality, knowledge and eloquence.

"Chicago Tribune" Simplifies Spelling of English Words

Chinese students of the English language probably will hail the action of the Chicago *Tribune* in starting a campaign for the elimination of superfluous letters in English words where the pronunciation is not affected. The new spelling with the older accepted form of a preliminary list of twenty-four words follows:

New	Old	New	Old
Advertisment	Advertisement	Extoled,	Extolled
Analog	Analogue	Fantom	Phantom
Canceled	Cancelled	Fulfilment	Fulfillment
Catalog	Catalogue	Harken	Hearken
Controled	Controlled	Hocky	Hockey
Controler	Controller	Indefinitly	Indefinitely
Cotilion	Cotillion	Monolog	Monologue
Decalog	Decalogue	Patroled	Patrolled
Definitly	Definitely	Pedagog	Pedagogue
Demagog	Demagogue	Prolog	Prologue
Dialog	Dialogue	Skilful	Skillful
Drouth	Drought	Tranquility	Tranquillity.

Mrs. Liza Hardoon Ordered to Repair Nanking Road Property

The Shanghai Municipal Council brought an action against Mrs. Liza Hardoon in the British Police Court in Shanghai last week, in connection with the buildings owned by the latter at the corner of Nanking and Honan Roads, which partly collapsed several weeks ago. An order of the court was issued that Mrs. Hardoon should repair the building and replace all dangerous portions to the satisfaction of the municipal surveyor. C. Harpur, Commissioner of Public Works, gave evidence that a serious deterioration of the roof timbers existed and that a large portion of the front wall would have to be removed; two columns were also in need of replacement. As the work proceeds it might be found that further defects existed, and this it would be almost impossible to ascertain while the premises were occupied, he added. Percy Tilley, advisory architect for all Hardoon properties in Shanghai, was present in court. The futility of patching up this and other similar properties in Shanghai, when the obviously necessary procedure is demolition, and the complacency of the Municipal authorities in such matters is becoming a matter of increasing comment in Shanghai—part of which is reflected in letters to the daily newspapers.

Improvements Booked for Central China in 1934

(By the Review's Hankow Correspondent)

THE New Life Movement is being vigorously discussed both by Chinese and foreigners in the Central China area. Everyone seems to agree that the ideals of the New Life Movement are ideals that ought to be lived. It is a standard, and a definite one in the flux and turmoil of hectic modern life as it is being compromisingly lived by many in these days. Interesting is the warning voiced in an editorial by the Chinese editor of the *Hankow Herald* for April 10th, 1934:

"In the New Life Movement excessive enthusiasm has the added danger of developing into a mere formality. It should be a code of practical morality for the benefit of the people instead of a sham and artificial code which the people blindly follow.... In the New Life Movement the people must be taught the real meaning of the principles and determine to reform. They should not adopt the new mode because of orders from the higher-ups or threats of the "anti modernists." "

Hankow Sponsors Drive for Compulsory Education

According to the latest census of the Hankow Bureau of Public Safety, the illiterate children under sixteen years of age in Hankow number 63,272. The responsible officials of the municipal government are planning a drive to lower this number and to introduce compulsory education of children in this center. Hankow is planning to spend $400,000.00 in the near future on new school buildings.

$1,500,000 Construction Bonds to Be Issued

The Hankow Municipal Government has decided to issue Municipal Reconstruction bonds to the amount of $1,500,000.00, which will be used to provide for the huge building scheme to be initialed in the near future. Of this sum $400,000.00 will be spent on schools, and $1,100,000.00 for constructing homes for poor people and for building highways. This new project and its detailed regulations were recently approved by the Provincial Council of Commissioners.

Wuchang Acquires New Road, New Water Supply, New Bus Line

In the month just past Wuchang has become the proud mother of three new ventures. The new Ping-Yuen Road running from the bund eastward across the heart of the city for approximately two kilometers distance, 18 meters in width, and a 600 mm. sewage system underneath, is the first of these. The second is the $100,0000.00 Water Works system, with its reservoir tank on Snake Hill, capacity 200,000 gallons of water. The new bus line maintains an hourly service run to Hsu-Kai-Pong, a two-hourly service to Tsing-Shan.

Peking-Hankow Railway to Spend $15,000,000

The Peking-Hankow Railway has an energetic director, who believes in improving his railway and its service to the general public. Mr. Chen Yen-chun's plan calls for the expenditure of $15,000,000.00 during the next five years on repairs and upkeep as well as new equipment.

New Long Distance Telephone Lines

The Peking-Hankow and Hankow-Changsha Railway lines are going to install long distance telephones, an agreement to this effect having been signed between the Ministry of Communications and the British Boxer Indemnity Refund Commission for a loan of £20,000. The orders for materials will be placed with British firms in London by the Chinese Purchasing Commission.

Hankow Foreign Chambers of Commerce Urge Nanking to Lower Taxation on Trade

The Hankow Committee of Foreign Chambers of Commerce sent a lengthy well-reasoned memorandum to the Hupeh Provincial authorities for transmission to the Central authorities. The main burden of the memorandum dealt with the question of exemption from or reduction of certain taxes in this province as an aid to trade revival. The immediate cause of this action is the all too apparent dwindling trade of Hankow. "There are commodities," the report maintains, "produced in Hupeh or marketed through Hankow which at one time bulked largely in the export statistics. These in many cases could be restored to their old importance and a scientific and statesmanlike investigation would possibly that a "duty and tax free" period is all that is required to effect this change, the result of which would be a rapid restoration of prosperity and automatically an improvement in the revenue of the government."

No Political Changes in Wuhan Favored

Reports to the effect that the Hupeh governor, Gen. Chang Chun, was to be transferred to Hopei province are now discredited. It is understood that General Chiang Kai-shek does not favor this move. General Yu Hsueh-chung, governor of Hopei, will continue in this capacity and will not bring his troops south as was thought possible.

According to latest reports, General Chien Ta-chun, who was sent to Nanchang on a special errand, obtained the sanction of Generalissimo Chiang Kai-shek to enlarge the status of the Commander-in-Chief's headquarters in Wuchang. The headquarters will comprise three departments: Political, Party, and Relief.

Marshal Chang Hsueh-liang's New Job

It is confidently expected that the Young Marshal will be given a more important position in the anti-bandit suppression campaign now in full swing in the Central China area, and will be promoted to Commander-in-Chief of the Bandit Suppression activities in the three provinces of Hupeh, Honan, and Anhui.

Hankow, April 16, 1934.

Thrilling Rescue of "Chelyuskin" Refugees

Rescue of the balance of the crew of the Soviet icebreaker *Chelyuskin*, which was crushed between icepacks in the Behring Sea about a month ago, was completed end of last week. Following the rescue several weeks ago by the airman Lapidevsky of about a dozen of the crew who had taken refuge on an ice floe, the rescue work was continued by other intrepid airmen—the whole story constituting an epic of thrilling adventure. The *Chelyuskin* expedition had at its head Professor Schmidt, chief of the Administration of the Northern Sea route, but owing to his having been incapacitated by a lingering fever, he was superseded by his assistant Bobro on April 11. On April 7 three planes flew from Cape Vankarem to the Schmidt camp, which they reached in forty-five minutes. In landing, a pilot named Slepniev damaged his machine, and started to repair it. The other pilots, Kamanin and Molokov, immediately took on five of the marooned party and returned. Ushakov remained three days at the camp, which was surrounded by piled-up ice. The party was located in a barrack and ten tents, all heated to room temperature by fireplaces, and the tents lighted by benzine lamps improvised by the refugees. There were supplies on hand of food, fuel, and warm clothing, and a kitchen and bakery was working. Life of the camp, as reported by M. Ushakov, in charge of the rescue work, seemed quiet and almost normal, but the party lived under perpetual tension awaiting the approach of ice-packs. Ice-packs carried away the kitchen on April 8, and on the following day the camp experienced the strongest ice pressure since the loss of the *Chelyuskin* itself, the barrack being crushed by ice-packs, the motor-boat destroyed, part of the timber buried, and the air-field upon which Slepniev's plane rested, completely destroyed. Repeated pressure of ice utterly transformed the region of the camp. On April 9, warding off the pressure of the ice, the refugees transferred Slepniev's plane to the other airdrome, over a distance of one and a half kilometres. On April 10, Kamanin made one flight and brought three persons to the shore. Slepniev completed his repairs and took six persons to Vankarem. Molokov made three brilliant flights and rescued thirteen persons. The following day Kamanin made three journeys, bringing fifteen persons to Cape Vankarem. Molokov made four journeys and rescued twenty persons, including Schmidt.

On April 7 a dog team was transferred to the camp, to facilitate the delivery of the more valuable instruments, collected material, and other goods to the airdrome by those of the party who still remained. The rescued members of the *Chelyuskin* party are going from Cape Vankarem to Cape Wellen, for a further trip to Providence Bay. On April 11 fifteen persons were sent by dog team, and six persons taken to Cape Wellen in a plane piloted by Slepniev. Anxiety for the fate of the remaining 28 persons still in the camp at that time reached high tension as always there was the danger that the weather might change so as to make flights impossible or that movements of the ice might spoil the airfields which had been created. However, in the end all the 28 were successfully taken off the ice (including the dogs)—thus bringing to a conclusion one of the most thrilling rescue expeditions of modern times.

A *Transocean* message from Moscow April 15 stated that the Soviet government plans to start salvaging the sunken *Chelyuskin* by diving operations during the coming summer.

Will North China Follow the Fate of Manchuria?

BY PAUL K. WHANG (汪 仲 芳)

THE truce signed between the Chinese and Japanese at Tangku last year provided but a lull to another storm which is now brewing and may break out at any time. The ominous clouds have been gathering so thick and the atmosphere has been getting so tense, that the people in North China have become as restless as "the ants on a hot oven." On the surface, business in Peiping and Tientsin is as usual; but beneath this veneer of assumed calmness and quietude, a casual observer will not fail to discern a general apprehension prevailing among the people that they may follow the sad fate which befell their brethren in Manchuria more than two years ago.

This apprehension is not at all without foundation. The Japanese Continental Policy is too well-known to be ignored, and the enthronement of Henry Pu Yi represents but a step forward toward that direction. But for the strained relationship between the U.S.S.R. and Japan, the Puppet Emperor would be reinstated on the Dragon Throne in Peiping. The failure on the part of the Chinese in settling according to the Japanese wish all outstanding Sino-Japanese problems including the resumption of the Peiping-Liaoning Railway service to "Manchukuo" and the postal service between Manchuria and China Proper and, most important of all, the recognition of "Manchukuo" will be taken by the Japanese militarists as a fit pretense for taking direct action in North China at any time.

The alarming news given by the veracular press has further intensified the general feeling of uncertainty. We have been told that the Japanese and "Manchukuo" soldiers have been amassed on the border of Eastern Chahar to start their immediate drive in the conquest of Mongolia; that Japanese planes have daily flown over the demilitarized zone inside the Great Wall for reconnoitering purposes; that a group of Japanese Army officers under the disguise of Japanese Legation guards accompanied by a squad of soldiers visited Tungchow, Sanko, Pingkuo and other places east of Peiping, reconnoitering and photographing strategic points; that a huge consignment of Japanese military supplies has arrived at Tsenghua inside the Great Wall; and that Japanese "ronins" are extremely active at Malanko indulging in all kinds of illegal activities.

North China in Danger

Even a few of our high officials, who have recently visited North China, have reminded us of the danger lurking in the future of North China. Tang Yu-jen, vice-Minister of Foreign Affairs, while refuting that he had ever taken a trip to Changchun, could not, however, deny that the situation in North China was very critical. Dr. W. W. Yen, Chinese Ambassador to the U.S.S.R., asked us to watch carefully the developments of Northern conditions. Chang Chi, former vice-President of the Legislative Yuan, minced no words in describing the state of affairs now existing in North China as similar to that of Manchuria on the eve of September, 1931.

That the situation in North China is pregnant with dangerous possibilities can not be gainsaid. The only question which worries all of us is: When will this storm eventually break out? In view of the fact that the Japanese now need time to consolidate their position in Manchuria and to settle their differences with Soviet Russia, we are inclined to think that Dr. H. H. Kung, Minister of Finance, may be right in his contention that the crisis is not as imminent as we are given to believe. But this does not mean that the Japanese have in any way relaxed their pressure upon the Chinese for securing the settlement of all outstanding issues.

Akira Ariyoshi, Japanese Minister to China, has recently travelled back and forth to exert diplomatic pressure upon the Chinese officials for procuring a definite answer prior to his sailing for Japan in the immediate future. Gen. Huang Fu, Chairman of the Peiping Political Affairs Readjustment Commission, has rushed to the South to confer with General Chiang Kai-shek and Wang Ching-wei on the Northern situation. Gen. Huang in the past year has been really in a predicament, because he has to accept orders both from the Nanking Government and the Japanese military authorities. It seems likely that he will not return to his post, unless the Nanking Government can give him a free hand in his negotiations with the Japanese for the settlement of the outstanding issues.

As a matter of fact, North China is now already under the heels of Japanese militarists. They have a free hand in doing everything according to their whims either with or without the consent of Chinese authorities, who have degenerated into the role of figureheads. It now transpires that only those who are ready to accept the orders of the Japanese militarists can hold their offices in North China. Thus Gen. Chang Huseh-liang has to be content with living in Hankow and playing second-fiddle to Gen. Chiang Kai-shek.

It must be noted that even if the Chinese are willing to meet the Japanese demands and negotiate with them for the settlement of all outstanding issues, our submission will not prevent the Japanese from taking further aggressive actions against us. On the contrary, it will encourage further aggressions and renewed demands. It is generally known that the Japanese desires are insatiable, and that after obtaining one inch they will long for one foot. They have set their hearts on the conquest of the world, and therefore the will not be satisfied even if China will give recognition to their puppet state.

Alongside with the military and diplomatic pressures upon China for creating a tense atmosphere, which will influence the Chinese to surrender to the Japanese demands, the Japanese have now also vigorously pursued a policy of economic exploitation of China in general and of North China in particular. This economic penetration is by all means a forerunner to the military aggressions in future, and deserves our careful attention.

Cheap Japanese Goods Flood North China

North China is now flooded with cheap Japanese goods which come from Dairen and Manchuria without paying any import duties. With the absence of custom barriers along the Great Wall, the Japanese can freely move their goods into China to undersell the imported articles of other countries. Now the prices of Japanese goods are so cheap that the American and European goods in many cases have been forced out of the Chinese market. This is especially true with those goods such as Artificial Silk, which have to pay heavy import duties on their importation.

In order to asist the Japanese merchants to dump their cheap goods in the Chinese market and undersell the American and European goods, the Japanese Ministry of Navy has recently appropriated a sum of Yen 5,000,000 to subsidize the Nippon Kisen Kaisha, Dairen Kisen Kaisha and Osaka Shosen Kaisha for the purpose of adding new steamers plying along the China Coast with a view of monopolizing shipping trade between Dairen, Tientsin, Tsingtao and Shanghai. After the suspension of business for more than two years, the Japanese shipping firms have now gradually resumed their shippng business along the Yangtze River and China Coast.

In this connection, it is pertinent to note that for the purpose of developing Sino-Japanese trade, the Japanese merchants have recently organized a Sino-Japanese Trading Association, with head office at Osaka, and branches at Shanghai, Tientsin, Tsingtao, Foochow and Hongkong. Its chief objective is to control Japanese trade in China, and to that end they will first investigate the market conditions and afterwards swamp the markets with cheap goods. All the Japanese shipping firms, according to the report, have promised to give their support to this endeavor of trade-expansion by cutting down their freight charges.

Thus the Japanese merchants assisted by their militarists have left no stone unturned in creating an economic hegemony, over China in general and North China in particular. Once their special commercial interests in North China have been sufficiently developed, they can use it as a pretext to seize the territories north of the Yellow River as they did in respect of Manchuria. With the example of Manchuria fresh in our memory, we can not help looking upon the present Japanese attempts with apprehensions and misgivings.

Instead of saying that North China is now pregnant with dangerous possibilities, we should say that the whole of China is in a critical condition. The more we think about the present rapid developments in respect of Sino-Japanese problems, the more we believe that the state of affairs now existing in North China is similar to that of Manchuria on the eve of Sept. 18, 1931. Although Dr. Kung was kind enough to assure us that the crisis was not imminent, his assurance could not in any way ease our tense feeling in face of the realities of the present situation. Unless we can wake up ourselves and take immediate measures to protect ourselves, not only North China but the whole of China will follow the example of Manchuria.

Shanghai, April 16, 1934.

The Truth About the Tibet-Hsikong Situation

BY C. Y. W. MENG (孟 昭 漢)

A message from Nanking April 16 stated that the Mongolian and Tibetan Affairs Committee will soon be renamed the Ministry of Frontier Affairs. The law governing the new Ministry has already been approved by the Central Political Council of the Kuomintang and the Executive Yuan of the National Government. The new minister will soon be appointed by the Central Government, and there will be three vice-ministers in charge of Mongolian, Tibetan and Manchurian affairs, respectively, to be chosen from the different tribes in the respective provinces.

ON April 9, a *Kuo Min* message from Yushu, Southern Kokonor (Chinghai), transmitted through Sining, Provincial capital of Kokonor, reported that the Tibetan troops had begun a large-scale invasion of the Province. Following their occupation of Tengko, the dispatch stated, the Tibetans advanced and surrounded the combined Szechuen-Hsikong troops at Tungpu and Tehko. The loss of their two cities, it was pointed out, would aggravate the already serious situation at Kantzufi 190 miles northwest of Kangting (Tatsienlu). But, on April 11, a *Reuter* message from Calcutta, reported that an imminent rapprochement between Tibet and China was believed to be pending in view of the decision of the Tibetan Government to disband a considerable part of its army and to restrict the purchases of arms. It was also reported that the Tibetan Government was sending an envoy overland to invite the Panchen Lama to leave his exile in China and to return to Tibet.

On April 12 a *Havas* message from Calcutta reported that it was learnt the previous day that the Government of Tibet had decided to demobilize the greater part of its army and reduce considerably its purchases of armaments imported from India. This decision was generally interpreted as a sign of appeasement of tension between Tibet and China.

From the above conflicting reports, we could hardly form any definite idea about the situation in Tibet and on the Tibet-Hsikong border. But from our many observations and interviews, including Tibetans and the representative of the Dalai Lama in Nanking, etc., we are informed that the truth of the situation is that there are generally two distinct problems which have caused much trouble on the Tibet and Hsikong border. The first one is about the boundary problem between Tibet and Hsikong, the former alleging that the entrance into Hsikong Province by General Liu Wen-hui's troops is a "trespass" and is opposed by the Tibetans, with result that armed conflicts between Tibet and Hsikong had occurred intermittently during the past several years.

In the course of the warfare, General Liu's troops were said to have completely destroyed the "Taichiehshih" (a Lama Temple) which, as pointed out to the writer, by the representative of the Dalai Lama is a big temple which accommodates no less than 3,000 lamas, and which owns properties, thus throwing thousands of lamas out of jobs and homes and depriving them of their means of livelihood. Some of them returned to Tibet; some of them gathered together to put up periodical attacks on Hsikong territory in an attempt to find a place to live. Some of them, after the destruction of the temple, took up other work; some of them became outlaws. These incidents constituted what is generally known as the "lama uprising" on the Tibet-Hsikong border, which constitutes "another" serious problem on the frontier territory, but which should not be confused with the Tibet-Hsikong boundary dispute between Tibet and the Szechuen generals.

Terms of Settlement

Referring to the "Lama Uprising," one spokesman in the Mongolian-Tibetan Affairs Commission, when interviewed, said that adequate ways have already been devised to end the uprising. The following terms are said to have been communicated to Tibet, which may be briefly translated as follows:—

1. The old Taichiehshih in Kantze, and in other hsiens in Hsikong, which has a long history of existence, should be preserved.
2. The former lamas of Taichiehshih, if they could repent of their past faults, and after their good behavior has been certified by the local religious heads, should be allowed to return to the Temple.
3. The former properties belong to the Temple should be totally returned to the Temple, after through investigation by the local authorities.
4. Hereafter, the lamas should abide by the religious rules and live peacefully. The possession of arms is permitted only to the extent of self-protection; the number of arms to be possessed should be determined by the local authorities and heads of the Temple; the former should cause the arms to be registered and certificates issued to facilitate the investigations from time to time. Hereafter the lamas should not extert such force at will disturb the local peace.
5. The heads of the Temple should be elected from the lamas of "sound morality" and approved by the local authorities.

Though up to the time when this article is written (April 14), no reply has yet come from Tibet, it is generally believed that as the terms are very fair, they would be acceptable to the lamas of the Temple, thus ending the so-called "Lama uprising" on the Tibet-Hsikong border.

"Awaiting Nanking for Decision"

As to the first problem—that is, the boundary dispute between Tibet and Hsikong, the representative of the Dalai Lama pointed out that the warfare had ceased long ago, and the dispute has been referred to Nanking for "decision", and that what is alleged as "fighting" on the Tibet-Hsikong border is only the "lama uprising." "The Tibetan Government is awaiting for the National Government to decide the dispute," said the representative.

It is generally betieved that after the death of the Dalai Lama, the Kung Bi regime (that is, the rule by Kung Bi, or the courtiers of the Dalai Lama) was overthrown and a more pro-Chinese party is gradually coming into power.

Panchen Lama-Cadogan Conversation

In this connection, we must not forget that Sir Alexander Cadogan, the new British Minister to China, after presentation of his credentials to the National Government, had a "one-and-half hours" conversation with the Panchen Lama a month ago. Of course, outwardly, it is said that it was purely a "courtesy call". But a courtesy call could never last 1 1/2 hours. That in the course of their conversation, they must have talked something about Tibet and the Panchen Lama's return to Tibet etc., goes without saying. Seeing what has been going on in Tibet at present, as evidenced by the tremendous change in Lhasa policy in disbanding troops, increasing purchases of arms from India, etc, we may come to a conclusion that the new situation in Tibet has been developed, partly due to the change of the regime in Tibet, and partly due to the fact that the British have also changed somewhat their policy in Tibet, realizing probably that as the Panchen Lama, the only Tibetan spiritual head now living, is a strong "pro-Chinese" advocate, it is not advisable for the British to take the chance of the death of the Dalai Lama, but to take more "liberal action" in allowing the Tibetans to go on with their pro-Chinese policy, but at same time to preserve the British influence and interest in Tibet

With the settlement of the "lama uprising", the change of the regime in Lhasa, and the possible change of the British policy, and "goodwill on both sides" (meaning Nanking and Lhasa), as emphasized by the representative of the Dalai Lama, there is indeed every hope of foreseeing a "cooperation between the Chinese and Tibetan governments," as reported by *Reuter*. It is up to Nanking to grasp the chance and to take more immediate and adequate steps to improve the good relations between Nanking and Lhasa, followed by the development of direct and constant contact berween these two and a series of reforms in the latter's region.

Nanking, April 14, 1934.

Cut-Rent-and-Taxes Move Becomes World-Wide

Not only in Shanghai but all over the world is the cut-rent movement growing. The Chapei (Shanghai suburb) Rent Reduction Association has announced with an expression of appreciation the voluntary action by the owner of Taishingli alley in granting a 30 per cent reduction of rents. This is the first voluntary reduction by landowners since the launching of the rent reduction movement throughout Shanghai.

A 10 per cent reduction of rent for families with more than three young children was announced in Berlin April 12 by one of the greatest housing organizations in the German capital. The change will affect 3,500 families.

In Pottsville, Pennsylvania, April 12, a crowd of 1000 taxpayers using ante-room benches as battering rams, burst open the steel doors of the Court House and forced the commissioners to accompany them to the public hearing room to listen to their grievances against assessments, some of which they alleged had increased as much as 300 per cent. The scared commissioners later agreed to hear their committee.

The Development of Mining Industry in China

BY HUANG CHIN-TAO (黃金濤)*

SINCE the inauguration of the Nationalist regime, Chinese political leaders have been wide awake to the ideal of a real unification of the country. Based on the experience and observations of the past twenty years it has been the conviction of many that political and militaristic forces are far less thorough or fundamental than economic methods. It remains, therefore, to be solved—this gigantic task of healthy industrialization and economic reconstructions.

As a preliminary step the abolition of all oppressive taxes has been done simultaneously with the revision of commercial treaties on the basis of equality. This will mean that the existing enterprises are accorded due protection, the exercise of greater initiative given ample encouragement, and the welfare of the people, especially of the labor classes, may be bettered and stabilized.

Mr. Huang Chin-tao

Director of the Mining Department of the Ministry of Industries who is leaving shortly for America and Europe for investigation purposes in connection with erection of an Iron and Steel Works in China.

Striking changes of the Chinese industrial institutions may be observed everywhere today, since the promulgations of many new and adequate industrial and commercial laws. Some of the outstanding ones are, the Mining Law, Law for Encouragement of Special Industries, Law governing the Chambers of Commerce, Stock-Exchange Law, Law governing the Amalgamated Industrial and Commercial Associations, Company Law, Law governing the registration of Trade Marks, Factory Law, Labor Law and Labor Union Law and Law on Conciliation and Arbitration of Commercial Diputes, etc.,

The Four-Year-Industrial Plan

In order to introduce China into the state of healthy industrialization and to unify her into one real whole by economic means, the elaborate Four-Year-Industrial Plan was drafted by the Ministry of Industries. Briefly, it may be divided into three divisions, i. e. (a) Economic Divisison, (b) Manufacturing and Mining Division, and (c) Agricultural and Forestry Division. The first deals with developments in commerce and finance and the problems between capital and labor. The second division covers all manufacturing, mining and metallurgical enterprises, consisting of eleven subdivisions, namely coal, iron and steel, copper, petroleum, oil-shale (Shensi), acids, machinery, automobiles, sugar, paper and porcelain. The third division consists of seventeen sub-divisions, of which eleven fall under the category of agriculture, two represent fishing and stock-raising activities, and four concern afforestation and land reclamation.

Development of Basic Industries

That coal, iron and steel, petroleum, acids and machinery are "basic industrtries", is contsantly in the mind of Chinese leaders. They are generally known as the "mother of all industries" and are indispensable for national defence, for communications, and for the development of other subordiate industries Immediate steps are, therefore, centered on the development of these basic industries.

China is a coal producing country, yet she has to import annually to the amount of 2,099,748 tons valued at Hk. Tls. 20,242,993. Then too, she is not poor in iron deposits, but still she is almost entirely dependent upon other countries for her needs in iron and steel. For the last year this item amounts to 9,868,077 piculs in quantity or Hk. Tls. 54,987.616 in value. These figures not only reveal the fact that her annual monetary drain to foreign countries is large, but also indicate that China lacks one of the essential reqirements of existence under modern conditions. Hence the necessity of the situation demands that more vigorous and immediate steps should be taken.

Mining Industries and Mineral Resources in China

China indeed possesses vast deposits of mineral resources, and even up to the present time most of the big and rich reserves are still undiscovered. She began to develop her mining industries by modern methods about thirty years ago, when some of her coal mines were worked on. At present, a total amount of about 27,000,000 tons of coal is annually produced. Nearly all the big iron ore deposits of the country have been operated although the business of iron and steel manufacture is not at all successful. Tungsten and antimony ores are such special reserves that China may easily control the world market.

Owing to the fact that reliable statistics of mines in the country are often difficult to obtain, it has been the work of the Ministry of Industries to conduct a series of investigations into the mining resources of the country. During the past years, the Ministry has spent much of its efforts in these investigations; and the National Geological Survey has also done a great deal in this direction. But still more extensive information about the mineral resources of the different provinces, including the frontier provinces are required in order to develop our mining industries. The following is condensed from reliable and extensive information so far collected concerning the mineral resources of the country, and it will clearly show to the world that the development of Chinese mining industries is a rather inviting enterprise and worthy of investment of capital, both domestic and foreign. Due protection to foreign interests has been provided by the National Government, so the question of security is not the least to be doubted.

Iron Ore Reserves

Iron ore is found practically in every province in China, and the following represents the more important iron ore reserves :—

1. *Kiangsu*—in Fenghuangshan (鳳凰山) of Kiangning Hsien (江寧縣) and Likuoyih (利國驛) of Tungshan Hsien (銅山縣); a total reserve of 39,000,000 tons
2. *Chekiang*—in Lichiakong (李家港) of Changhsing Hsien (長興縣) and Kiente (建德) Chunan (淳安) a total reserve of 7,000,000 tons.
3. *Anhui*—in Tungkuanshan (銅官山) of Tungling Hsien (銅陵縣), Taochung (桃冲) of Fanchang Hsien (繁昌縣) Tawashan (大凹山) and Nanshan (南山) of Tangtu (當塗); a total of 20,000,000 tons.
4. *Shantung*—in Kinlingchen (金嶺鎮) of Yitu Hsien (益都縣), and Fei Hsien (費縣) a total of 20,000,000 tons.
5. *Hopei*—in Luan Hsien (灤縣) with a reserve of 30,000,000 tons.
6. *Honan*—in Hungshan (紅山) of Wuan Hsien (武安縣) Fenghuangshan ( ) of Siuwu Hsien (修武縣) and Sinyang Hsien (沁陽縣) a total reserve of 2,000,000 tons.
7. *Hupeh*—in Siangpishan (象鼻山) Tiehmenhung (鐵門坎) and Yehchiping (野雞坪) of Tayeh Hsien (大冶縣) and Lingsheng (鹽鄉), Sishan (西山) and Leishan (雷山) of O-cheng Hsien (鄂城縣); a total reserve of 40,000,000 tons.
8. *Liaoning*—in Miaoerkou (廟兒溝) of Penchi Hsien (本溪縣), Kungchangling (弓長嶺) and Anshan (鞍山) of Liaoyang Hsien (遼陽縣); a total reserve of 7,000,000,000 tons.
9. *Chahar*—in Lungkuan (龍關) and Suanhua (宣化) a total of 90,000,000 tons.
10. *Jehol*—in Luanping (灤平) and Lunghua (隆化) a total of 10,000,000 tons.
11. *Kiangsi*—in Kiukiang (九江), Suichan (瑞昌), Yungsin (永新) Pingshiang (萍鄉) etc., a total of 18,000,000 tons.
12. *Fukien*—in Anchi (安溪), Putien (莆田), Kienou (建甌) etc., a total of 5,000,000 tons.

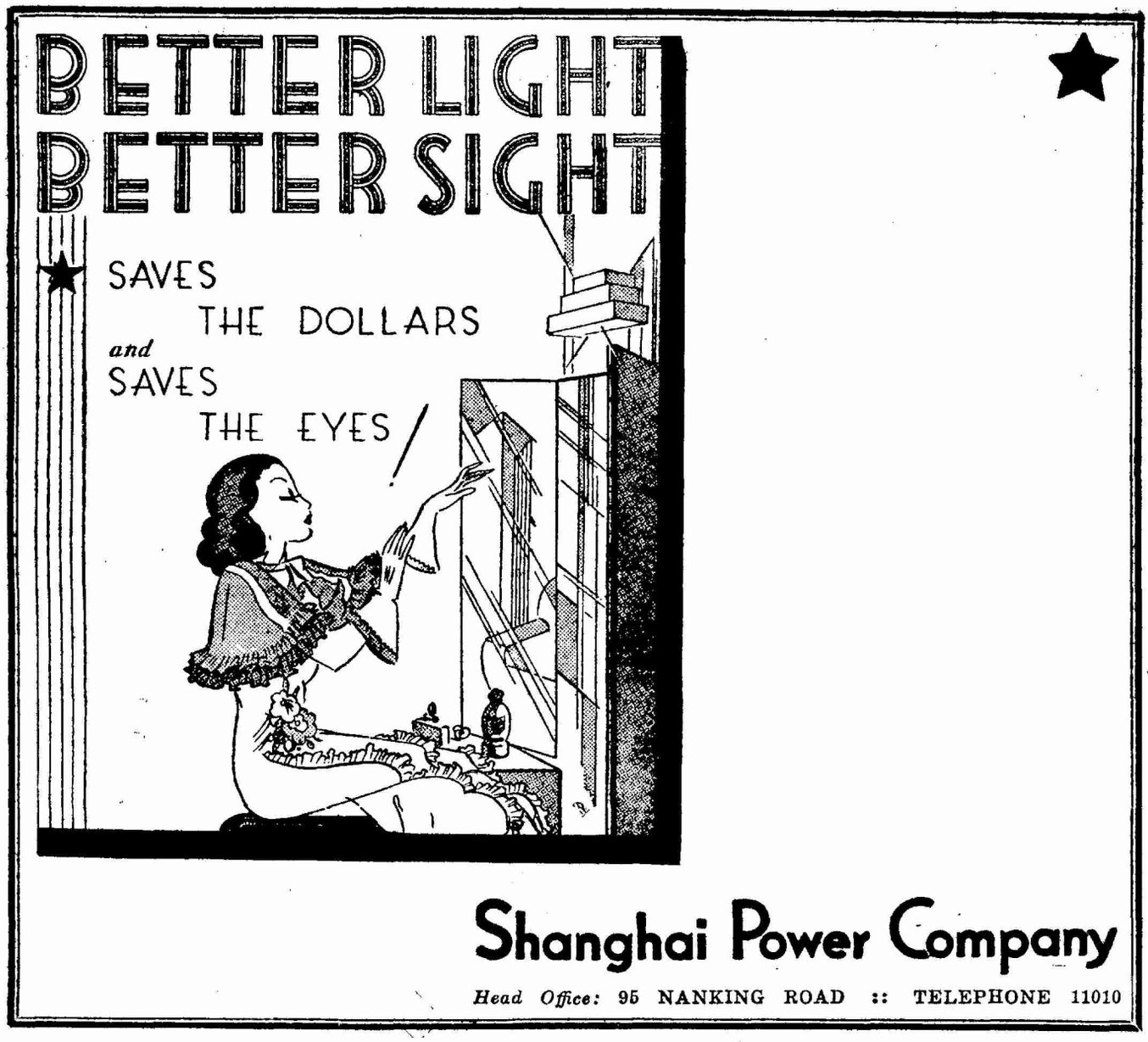
Gold Ore Reserve

Gold ores are divided into vein gold and gold placers. The more important places of distribution are as follows :—

I. *Gold Vein* is distributed in Jehol, Hopei, Shantung, Liaoning, Kirin, Hunan, Szechuen and Sinkiang.

1. *Jehol*—in Sanchiakou (三义口) of Weichang (圍場), Laochinkou (老仟溝) of Lungkua (隆化), Pataoho (八道河) of Luanping (灤平), Kinkouchang (金廠溝) of Chaoyang (朝陽) Chengte (承德), Kienping (建平), Fuseng (阜新), Chifeng (赤峯) and other districts.

*The author of this article is one of the foremost mining and and steel experts in China. For years he was engineer and general manager of the Han Yeh Ping Iron Works in Hupeh, and is now Director of the Mining Department of the Ministry of Industries. Being an energetic and able executor, he is responsible for the formation of many proposed projects, such as Iron and Steel Works, etc.—ED.



2. *Hopei*—in Taoyan (桃源) of Miyun Hsien (密雲縣) Apachuang (啞吧莊) Hsiaosiho (小西河), Shakinkou (沙金溝) and Yitzeyuan (椅子園) of Funing Hsien (撫寧縣), Tashan (大山), Taichialing (戴家嶺), and Hualungkong (臥龍崗) of Linyu Hsien (臨榆縣), Tzianan (遵安), Hsinglung (興隆) Tsunhua (遵化) Suifeng (瑞豐) districts.
3. *Shantung*—in Linglungshan (玲瓏山) of Chaoyuan Hsien (招遠縣), Maoshan (茅山) of Miaoping Hsien (牟平縣), Kiutien (舊山) of Pingtu Hsien (平度縣).
4. *Liaoning*—in Kounantientze (狗奶甸子), Chinchiakou (景家溝), and Tanchow (灘州) of Chingyuad Hsien (清原縣), Tamiaoku (大廟溝) of Tunghua Hsien (通化縣), Wanpaokaitze (萬寶蓋子) of Kuentien Hsien (寬甸縣).
5. *Kirin*—in Pakoshitze (鴿鵠碴子) of Yenki Hsien (延吉縣).
6. *Hunan*—in Huangchintung (黃金洞) of Pingiang Hsien, (平江縣), Liuling, Chiawuchi (柳林,又武溪) of Yuanling Hsien (沅陵縣), Soshapu (梭沙坡), Siuchiawan (蕭家灣) of Taoyuan Hsien (桃源縣), Moping (漠濱) of Hweitung Hsien (會同縣).
7. *Szechuen*—in Panlanshan (斑欄山) of Suichingchun (綏靖屯) of Mokung Hsien (懋功縣), Maho (麻哈), Chuku (葉古) of Minning Hsien (崌甯縣), Wali (窪裏) and Tinping (田坪) of Yenyuan Hsien (鹽源縣).

(To be Continued)

Soviet Scientist Develops Medicine from Spotted Deer Antlers

The curative value of the antlers of the spotted deer were studied during the past year by the noted Soviet scientist Pavlenko, having in mind the fact that the Chinese and Tibetans have used them as medicine for thousands of years. *Tass* says Professor Pavlenko has pepared a medicine called "Pantokrin," analysis of which shows the presence of an enormous quantity of male sexual hormones. Clinical experiments show the high curative value of the preparation, raising notably the tone and vigor of the organism, improving heart action, eliminating fatigue and weakness of the heart muscles, etc. It also claimed that it hastens the healing up of abrasions, and is of special value when these have become infected and purulent.

Scientific Research Into the Effects of Opium-Smoking to Be Made

The League of Nations Commission of Enquiry into the control of opium-smoking in the Far East having suggested in 1931 to the Council that it was desirable to obtain complete and authoritative information on certain questions connected with the opium-smoking problem, the Council of the League has requested the opinion of the Governments concerned and also authorized the Opium Advisory Committee and the Health Committee of the League to prepare a program for such research and to supervise its execution.

Replies have been received from the Governments of the United Kingdom, for British Malaya and Hong-Kong; China; France for Indo-China; India for Burma; Japan; the Netherlands for Netherlands Indies; and Siam. All the Governments who replied declared themselves willing to co-operate in this research on an international basis, although in some cases it was pointed out that the existing facilities are not sufficient.

The Chahar Provincial Government has issued a circular order to the various districts prohibiting the planting of the opium poppy under penalty of severe punishment.

Chinese Tobacco Companies Renew Appeal for Revision of Taxes

Another appeal for revision of the new rates of the rolled tobacco tax has been made by forty Chinese tobacco factories in Shanghai in a petition to the Central Government. The petition begins by recalling that, owing to the unfair nature of the new tobacco rates, which impose a heavier duty on leaf tobacco of alow quality than on that of a high quality, over two-thirds of the Chinese tobacco factories in Shanghai have, during the past two or three years, been forced to close down. Recently due to the preferential treatment received by dealers in leaf tobacco of a high quality, the British-American Tobacco Company has been able to dump its products on the domestic tobacco market by reduction in the prices of its products, thereby making it well-nigh impossible for Chinese tobacco merchants to compete with the foreign merchants. Continuing, the petition points out that the stagnation in the market for native cigarettes is largely due to the fact that while the tax on the native products has been increased, that on products of a superior quality—which is mainly dealt in by foreign merchants—has been reduced. In support of a recommendation in favor of the restoration of the 7-grade scale in place of the present 2-grade scale, the petition observes that had the 7-grade scale been adopted, the income of the Inland Revenue Administration from the tobacco tax during February last would have shown an increase of $79,157, or an annual increase of $949,884.

The Mayor of Nanking, Shih Yin, issued a circular order April 16 instructing that no cigarette smoking is to be allowed by the staff members of the Nanking Municipal Government. Mr. Shih declared that in case anybody is found disobeying the new order he will be punished.

In order to promote the Chinese water pipe tobaccos, principally produced at Lanchow, Kansu, the Ministry of Railways has instructed the Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railway Administration to reduce the freight charges on these tobaccos.

Chinese Banks Pay $500,000 to Nanking Reconstruction Commission

Twelve Chinese banks in Shanghai last week paid to the Reconstruction Commission of Nanking $500,000, part of the second installment of a recently-concluded loan of $3,000,000 for the development of public utilities in the Capital and its neighborhood. The remainder of the second installement will be paid as required in the near future. The participating banks are: the Bank of China, Bank of Communications, Shanghai Commercial and Savings Bank, China and South Seas Bank. Kincheng Bank, Yen Yeh Bank, Continental Bank, National Commercial Bank, Ningpo Commercial Bank, Sin-hwa Bank, China Agriculture Industrial Bank, and the Postal Remittances and Savings Bank.

The Metropolitan Reconstruction Commission, which obtained the loan from the Shanghai bankers, is to start the enlargements of the Nanking power plant to a capacity of 10,000 kilowatts. Other projects also will be financed.

Capital Subscribed for China Development Corporation

The *Sin Wen Pao* says the main purpose of the China Development Finance Corporation, plans for which were announced last week, will be to develop the Northwest. The Corporation will formally come into being after T. V. Soong, who will head the new concern, returns for the Northwest. According to reports in Chinese banking circles, the amount of capital subscribed by the different Chinese banks is as follows:

Central Bank of China	$4,000,000
Bank of China	3,000,000
Bank of Communications	1,500,000
Shanghai Savings Bank	500,000
Chekiang Industrial Bank	200,000
Land Bank	100,000
Other banks	700,000

Communications Ministry to Issue Navigation Loan

The Ministry of Communications has decided to issue a loan to an amount of $10,000,000 for the special purpose of developing navigation in the country. The loan is to be secured on the customs revenue.

The Fukien Provincial Government has decided to establish an Agricultural Bank at Santuao. The bank will be capitalized at $500,000.

National Finance Conference to Be Held May 21

The National Finance Conference will open at Nanking on May 21, and will remain in session for seven days, according to a decision at a meeting of the Preparatory Committee held April 11 under the chairmanship of Hsu Chien-ping (Jabin Hsu), Director of the General Affairs Department of the Ministry of Finance. The Minister and Vice-Ministers of Finance will serve as Chairman and Vice-Chairmen of the Conference. The expenses for the Conference were fixed at $27,000. The Commissioners of Finance of the different province and the Directors of the various District Finance Bureaus are to be instructed to attend the Conference personally. Only in special cases will they be allowed to send deputies. The meeting also approved the regulations governing the organization of the Secretariat of the Conference. Chin Fen, Vice-Minister of Finance, will be appointed Secretary-General.

Chiang Kai-shek has sent a circular dispatch to the various Provincial Governments urging them to take immediate measures for the readjustment of their finances. General Chiang has called for the balancing of Provincial budgets and readjustment of income and expenditure.

The Chekiang Provincial Government, in a telegram to General Chiang Kai-shek, April 14 stated that, due to lack of time, it will not be able to complete the compilation of its Budget in time. It therefore requests that the time limit be extended.

The Executive Yuan decided April 11 that prior to insertion into the Criminal Code of the Regulations governing the punishment of offences calculated to impair the credit of the national currency (standard dollar), the said Regulations be made provisional. The period for the enforcement of these Regulations is to be fixed at two years. The said Regulations and the general principles relating thereto were adopted and forwarded to the Central Political Council for approval.

In order to reduce the amount of paper currency, the Canton Municipal Government April 10 destroyed a quantity of paper-notes (of the denominations of $1, $5, $10, and $50) valued at $2 millions.

Chinese Silk Trade Verges on Bankruptcy—Relief Ordered

An order has been sent by the Nanking Government to the Municipal Government of Greater Shanghai instructing it to devise effective means to find relief for the silk trade, which is rapidly drifting towards bankruptcy. The Government intimates that if necessary a loan should be raised to meet the requirements of the silk merchants.

A detailed report on conditions in the silk industry in Kwangtung, as well as recommendations for sericultural improvement in that province, has been submitted to the National Economic Council by Dr Benito Mari, expert on sericulture from the League of Nations. Dr. Mari recently returned from an inspection trip to the South.

Native Industries to Be Encouraged

A new Law governing the Encouragement of Native Industries was adopted by the Legislative Yuan last week. According to this Law, a Chinese factory of company may apply to the Ministry of Industry for encouragement (1) if the goods it manufactures either by machinery of improved methods of handicraft are in a position to compete with foreign goods in foreign or domestic markets; (2) if it is the first to adopt in China latest foreign methods in the manufacture of its goods; and (3) if it manufactures new inventions, for which patents have already been granted in China. Encouragement will be given in the form of (1) reduction or exemption of the Export Duty; (2) reduction or exemption of taxes on raw materials required for the manufacture of the goods concerned; (3) reduction of freight on State-owned transportation facilities; (4) award of cash prizes and (5) grant of the privilege of exclusive manufacturing in a certain specified locality for a period not exceeding five years.

A group of leading industrialists in Shanghai is promoting the organization of the Poyang (Kiangsi) Coal Mining Company with an initial capitalization of $1,600,000.

A further reduction of the working hours is contemplated by Chinese factory owners in Shanghai as a result of the dumping of Japanese goods on the Chinese markets.

Freight rates on flour transported on the Tientsin-Shanhaiwan section of the Peiping-Liaoning (Mukden) Railway have been reduced by 20 per cent.

The Ministry of Finance has decided upon a set of measures whereby Customs duty paid on imported wheat will be refunded to the mills upon the export of flour made from such wheat. The rebate will be given in the form of credit notes which may be presented for payment of duty on imported wheat.

The Three Year Construction Program of the Kwangtung Provincial Government is making rapid strides. The latest project contemplated is the establishment of an iron and steel works at Canton with a capitalization of $25,000,000. The planning of an organization of the projected plant is being entrusted to the hands of an American export metallurgist.

General Chiang Kai-shek has ordered the commissariat Department of his Field Headquarters to advance a sum of $10,000,000 for promoting agricultural enterprises in Kiangsi.

Plans to Develop China's Sugar Industry

The Ministry of Industries is launching an ambitious scheme for the development of China's sugar industry, which has in recent years suffered enormously owing to the competition of foreign imports. The Ministry has dispatched a special representative to Shanghai to consult with Chinese sugar merchants and

exchange views with them. One of the suggested schemes is to improve and expand the present sugar plants and the other, opening of new plants in South China. In order to finance the project, the Government may issue a National Sugar Industry Loan to the amount of $2,000,000.

Salt Tax to Be Used to Raise Funds for Yellow River Conservancy

A set of measures relating to the mode of raising funds for Yellow River rehabilitation work was adopted at a recent meeting of the Executive Yuan. The Hopei Provincial Government is authorized to raise a loan with the revenue from the Chang-Lu Salt Surtax as security; the Honan Provincial Government is authorized to seek a loan from local banks with the Salt Surtax in Honan as security.

Wang Ping-cheng, one of the three delegates of the Control Yuan despatched to inspect the conservancy work of the Yellow River, returned to Nanking April 12. In an interview he said that repair work on the southern bank of the Yellow River has been completed. Of the 32 breaches on the northern bank, only seven were not yet finished at the time of his return. Steps are being taken to build double dykes as an additional safeguard.

The newly built dykes along the Yellow River in southern Hopei have again been destroyed by the swift currents in the river. The authorities are building up new dykes at the destroyed section both day and night and they are hoping to have the dykes completely repaired promptly.

Notwithstanding the recent decision of the National Economic Council not to allocate any funds from the American Wheat and Cotton loan for water conservancy purposes, the Council is to be requested to make an exception in the case of the Yellow River and to appropriate an adequate sum for repair work, as the urgency of the situation justifies special consideration.

A remittance of $73,500 for the relief of the areas in Shantung province devastated by the Yellow River floods last year was received in Tsinan from Overseas Chinese in the South Sea Islands, April 14.

Special steps are being taken by the Hopei Provincial Government for rehabilitation work in the Yellow River Valley. Besides raising a sum of one million dollors, a special Engineering Bureau will be established to take precautions against the recurrence of flood.

Long Distance Telephone Lines Planned

The Ministry of Communications has signed an agreement with the British Boxer Indemnity Refund Commission for a loan of £20,000 for financing the installation of long distance telephones on the Peiping-Hankow and Hankow-Changsha Railways.

Plans have been worked out by the Ministry of Communication providing for the readjustment of the existing telegraph lines and radio circuits and completion of the projected radio stations in the frontier provinces. Regarding the telephone system, the Ministry hopes to have the Nanking-Hankow, Nanking-Tientsin and Tientsin-Hankow long-distance telephone lines installed before the end of the year.

Dr. Rajchman to Return After Three Months

A recent Nanking message to the *China Times* stated that it had learned from a reliable source that Dr. Rajchman, League of Nations liasion officer in China now enroute to Geneva, will return to China after three months. The report that Dr. Rajchman has decided not to return to China is without foundation, the telegram added.

Road Construction Planned in Hopei Province

In order to complete the 37 highways connecting the five southeastern provinces of Kiangsu, Chekiang, Anhwei, Kiangsi and Fukien, before the opening of the Inter-provincial Travelling Exhibition in the summer, Tseng Yang-fu, Chekiang Provincial Commissioner of Reconstruction and concurrently Director of the Highway Construction Bureau for the five provinces, has decided to approach the National Economic Council for an appropriation of $1 million from the surplus derived from the National State Lottery.

The Reconstruction Department of the Hopei Provincial Government is now drawing up plans for the construction of a network of highways in the province. According to the plans of the said Department 34 roads are to be built shortly, linking up different districts in the province. The cost of construction is estimated at $3,000,000.

Construction work on the projected Kwangtung-Hunan Inter-Provincial Highway is nearing completion.

The Shantung Provincial Government at a meeting April 3 decided to repair and improve the roads leading to the temples on Tai Shan, which has become a popular spot for tourists.

The Ministry of Communications has decided to erect radio stations along the Sinkiang-Suiyuan Highway. Motor traffic on the highway has been suspended for some time as a result of the civil strife in Sinkiang.

The National Economic Council is reported to have decided to appropriate proceeds from sale of all of the American flour loaned from the United States to pay the thousands of workers to be engaged for the building of highways in the Northwestern Provinces of Kansu and Shensi.

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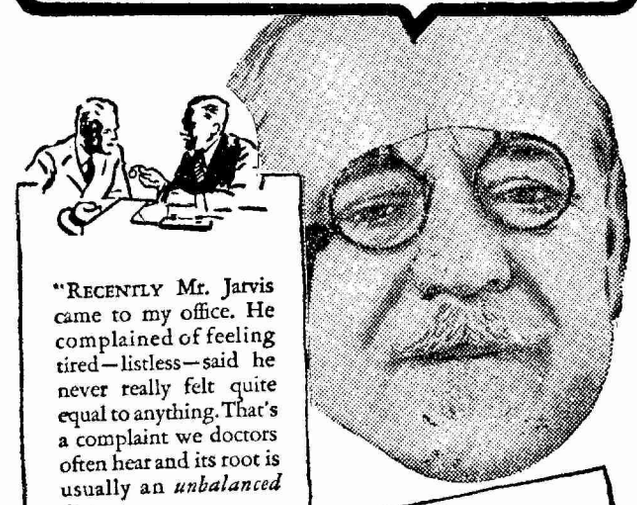

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Quaker Oats

68-333

Electrification of Chinese Government Railways Planned

The Ministry of Railways is drawing up plans for the electrification of Chinese Government Railways. It is understood that the first railway to be electrified will be the Shanghai-Nanking Railway.

The Ministry of Railways plans to link up the Shanghai-Nanking and Shanghai-Hangchow Railways by the construction of a branch line between Soochow and Kashing. When the line is completed passengers from Nanking will be able to reach Hangchow without passing through Shanghai.

Completion of the Wuhu-Nanking section of the Wuhu-Chapoo Railway before the end of the year and construction of the Nanking-Chaoan Railway, in southern Fukien, before the end of 1937 has been decided on by the Kiangnan Railway Company.

The Kiangsu Provincial Government has decided to build a railway linking up Nantung, industrial center in northern Kiangsu, with Haichow, important port on the northeastern coast of the province. The projected line, which will be over 470 li (160 miles) long, is to start from Nantung and pass through the districts of Tungtai, Jukao, Yencheng, Huai-an and Lienshui to Haichow. The Government is aided by a group of leading industrialists in the province including Yung Chung-ching, popularly known as "Flour and Cotton King" of China. Work on the projected line will commence in June this year and is scheduled to be completed within two years.

Improvement of equipment and more efficient train service was urged by the Ministry of Railways in a recent order to the Nanking-Shanghai and Shanghi-Hangchow-Ningpo Railway Administration.

The receipts of the Nanking-Shanghai Railway during March totalled $1,131,550, including $852,258 from passenger fares and $279,292 from freight. The earnings of the Shanghai-Hangchow Ningpo Line amounted to $565,758, with passengers contributing $396,564 and freight $169,194.

An award of $20,000 has been granted by the Chekiang Provincial Government to Tu Chen-yuan, Managing-Director of the Hangchow-Kiangshan Railway Administration, in recognition of his indefatigable efforts, which rendered possible the completion of the railway a year ahead of schedule.

By the end of the year an iron bridge will span the Kan River between Nanchang and Niuhsing Station on the Kiukiang-Nanchang Railway. A large consignment of building material has arrived and operations are being started immediately. Preparations are also being made for the construction of a main station at Nanchang for the projected Yushan-Ping-hsiang Railway, which is to traverse the province.

China's Unfavorable Balance Rises Steadily

China's exports to foreign countries since 1929 have greatly declined while her imports during the same period have registered a steady increase year by year, according to a statistical study of both imports and exports during the past 10 years from 1923 made by the Ministry of Finance.

The following figures give the figures of imports and exports and of the unfavorable balances during various years between 1923-1932.

Year	Amounts of Exports and Imports (Unit: 1,000 Hk. Taels)		Unfavorable Balances
1923	Exp.	752,917	
	Imp.	923,403	170,486
1927	Exp.	918,620	
	Imp.	1,012,932	94,312
1929	Exp.	1,015,678	
	Imp.	1,265,779	250,101
1930	Exp.	894,844	
	Imp.	1,309,756	414,912
1931	Exp.	909,476	
	Imp.	1,433,489	524,013
1932	Exp.	492,641	
	Imp.	1,049,247	556,606

Harold Lloyd to Star in Another "China" Film—"The Cat's Paw"

Harold Lloyd, whose picture "Welcome Danger" got him into serious complications with the Chinese several years ago, is apparently planning to take another chance on another picture, also having a Chinese setting. The new picture is a film version of Kelland's story, "The Cat's Paw" which ran in the *Saturday Evening Post* and is now out in book form. The new picture shows the adventures of an American boy, son of missionaries residing in Szechuen province, who returned to his old home in the United States and ultimately became mayor of a great city.

C.N.A.C. Temporarily Abandons Flights to Canton

Up to the morning of April 19 of all efforts to locate, or to determine the fate of, the China National Aviation Corporation's large Sikorsky-16 mail and passenger plane which departed from Shanghai April 10 on its usual run to Canton proved fruitless. A brief wireless message from the plane sent about half an hour after its departure stated that it was returning due to a heavy fog. The net result of efforts to locate the Canton-bound plane was merely further disaster. Among the numerous planes sent out on the search was a Sikorsky-17, also belonging to the C. N. A. C. in charge of W. S. Grooch, operations manager of the southern run, together with Pilot Cecil Sellers, W. H. Woods, radio operator, and Mr. Ling, Chinese interpreter. It came to grief in Hangchow Bay, where it was located April 12, two miles northeast of the mouth of the Yung river, near Chinghai, by Captain E. M. Allison, chief C. N. A. C. pilot. The San Peh s.s. *Ningshin* later towed the marooned Sikorsky-17 to Chinghai, with the occupants safe. Commander Hawks flew his Condor over Hangchow Bay April 12, without result. All ships whose courses take them near the Hangchow Bay have been asked to join in the search.

As a result of the disasters to the two Sikorsky planes, the C.N.A.C. has had to abandon, at least for the time being, the run to Canton. The missing plane is a twin motored amphibian with a cruising speed of 120 miles per hour. It is equipped with a two-way radio set and cost U.S.$45,000. A companion plane to the missing Sikorsky was almost completely wrecked on November 24, 1933, when it crashed into Seshan Island.

The *China Times* of April 14 stated that considerable suspicion had been aroused over a certain passenger registered as Yuemura with destination of Foochow. He spoke Japanese when booking his passage, but according to inquiries at the Japanese Consulate, there is no Japanese in Shanghai by that name. However, after the plane hopped off from Shanghai for about an hour, two Chinese hurriedly came to the office of the Corporation, requesting that the Corporation to send a radio message to the said passenger. The message was in English, telling him to go "elsewhere" by boat as soon as he landed at Foochow, but it did not explicitly state the exact place he is to go to. After the Corporation's refusal to send the message the two men left in a very unpleasant mood. It is understood that the Corporation has reported this suspicious circumstance to the National Government and the Ministry of Communications.

The first clue towards eventually solving the fate of the missing Sikorsky-16 plane was the news, much delayed, that fisherman had picked up on April 11 a mailbag and two books of forms from the missing plane. The Chinese newspapers on the morning of April 17 stated that the missing plane had been found with the occupants alive, but this proved to have been a mistake, the Chinese informants having mistaken the Sikorsky-17 plane, also in difficulties, for the other one.

The Sikorsky 17 was towed from Shanghai to Chinghai by tug and lighter during the fore part of this week. In the meantime a reward of $300 has been offered for news of the missing Sikorsky-16 plane, notices in China having been scattered by plane to this effect over the islands and fishing villages in the Hangchow Bay area.

Mrs. Robert Gast, wife of the pilot of the lost plane, plans to return to the United States with her child. Her home is in Chicago.

Five of Eight Japanese Planes Go Astray on Return Flight From Korea

Five of eight army planes, which were on their return long distance flight from Pingyang, Korea, to Tachikawa, failed to show up by April 16. The three others duly landed at the Yokkaichi Military Aviation Field.

Japanese Naval Plane Is Lost

Patriotic Plane No. 19 belonging to the Tateyama Japanese Naval Air Corps plunged into the sea near the air base, while negotiating a forced landing, a recent *Rengo* report from Tateyama stated. The occupant, sub-Lieutenant Kiyonori Hanamoto, was picked up by a flying-boat, but the disabled machine sank.

Soviet Amphibian Airplanes for the Arctic

The Scientific Research Institute of the Board of Civil Aviation of the Soviet Union has produced a new powerful amphibian airplane SH-5, built according to the design of

engineer Shavrov. The plane can take off from, and land on water, snow, ice, or land. It is designed for service in the Arctic regions.

Another Chinese-Made Plane Nears Completion

Another Chinese-made airplane is to be completed early next month, according to a statement from the Aeroplane Works attached to the Aviation Administration of the Ministry of War at Nanking. The cost of construction having been contributed by overseas Chinese in Batavia, in the Netherland Indies, the plane will be named *Batavia*.

May 1 has been set as the date for the inauguration of the Canton-Lungchow Air Service. Only mails will be carried at first. If the initial attempt proves successful and profitable, passenger service will be inaugurated later.

British Air Route to Hongkong Still a Matter of the Future

Sir Philip Sassoon, Under Secretary of State for Air, stated in the House of Commons April 11 that he would not be able to say anything definite on the air route to Hongkong, but it was hoped to have the line to Australia operating next Autumn.

Colonel L. V. S. Blacker, who was in charge of the flying operations in the recent Mount Everest Flight expedition, has expressed the opinion that it has opened the way for a regular commercial air route across the Himalayas to the Yangtsze Valley—a valley rich in gold, silver, copper and iron. However, the design of the present airplane is not quite far enough advanced to make the route a paying proposition, but more highly supercharged engines and with variable pitched propellers should be able to do the flight from the Ganges valley to the Yangtsze in a day, he said.

A London telegram April 9 stated that British project of a non-stop flight around the world, closely following the Equator, has been temporarily abandoned, owing to the heavy cost (about U.S. $1,000,000). The scheme would require the posting of refuelling planes at many points, including great stretches of the Pacific Ocean.

Kuan Yin and the Ill-Fated Sikorsky Airplane

Dr. Tse-chien Tai, chief secretary of the Bank of China, was a passenger on the Sikorsky plane on the trip to Shanghai from Canton, the trip which preceded the disaster resulting in the complete loss of the plane including the American pilot, co-pilot and mechanician and a Japanese passenger. Dr. Tai embarked on the plane at Foochow and since he was the only passenger and there was plenty of space he prevailed on Robert Gast the pilot to permit him to carry with him a porcelain statue of Kuan Yin, the famous Chinese Goddess of Mercy. After leaving Foochow the plane was compelled to return to its base three times because of encountering storms, but on the fourth attempt they were successful and reached Shanghai in safety. Since Dr. Tai was the last passenger who made a safe trip on the plane he attributed his good luck to the presence of the statue of Kuan Yin.

Kailan Coal Strike Settled Unconditionally

The Kailan Coal Mine strike came to an end unconditionally, according to the Chinese press, the Kailan Coal Mine Administration having refused to consider any demands submitted by the workers. Chao Ta-chung, who was responsible for stirring up the trouble, is reported to have fled from Tongshan but his assistant, Shih Yu-chu, was arrested. Chao was later located in the Japanese concession, Tientsin. In the meantime, following Chiang Kai-shek's lead, the local Chinese authorities have issued orders forbidding strikes.

The Tientsin *Ta Kung Pao* commented :—"The rapidity with which the strike of the K.M.A. miners at Tongshan was settled after the return of General Yu Hsueh-chung, Chairman of the Hopei Provincial Government, to Tientsin shows that the vacillating attitude of the authorities for many days was responsible in no small measure for the prolongation of the strike and should serve as a useful lesson to the authorities in dealing with troubles of this kind in future. It is true that the recent trouble at Tongshan was different from the various strikes which have broken out in local Chinese mills during the last few months, for the mines there are owned by foreign interests. The treatment of the K.M.A. workers is not so bad as compared with those employed in other mines. In fact, they are much better treated than the miners of the Fushun Colliery in Manchuria. That the ringleaders of the strike were inspired by foreign influences goes without saying. But the duty of the Chinese authorities in Tongshan is clear. They should maintain peace and order to the best of their ability, and if any Japanese should be found abetting the strikers, they should take the matter up with the Japanese authorities there."

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Stimson Advocates U. S. Adherence to League

Strong recommendation that the United States should join the League of Nations was made in a speech at Princeton University April 12 by Col. Henry L. Stimson, Secretary of State during the Hoover Administration and chairman of the American delegation to the Disarmament Conference in 1932. Col. Stimson declared: "We are the people who can most easily and safely give sympathy, encouragement and help to the world in its vital struggle to protect our common civilization against War. The League of Nations represents the deliberate nature of the effort of the statesmen of Europe to save their continent, and incidentally the rest of the world, from the perils of modern warfare. Should we insist on our government retiring to isolation and turning its back on all efforts at peace in other portions of the world, then we must face the fact that peace machinery will be infinitely weakened and mankind will be periodically faced with wars which may be as disastrous towards us and our own civilization as towards that of the rest of the world."

Soviets Reiterate Policy of General and Complete Disarmament

Telegrams from various European capitals during the week indicated that the possibility of Soviet Russia joining the League of Nations was drawing nearer, although the London *Daily Hera'd* commented April 13 that such a consummation was still a long way off because of the fact that the conditions put forward by the Soviet Government are deemed unacceptable by other powers, notably Great Britain.

At the session of the Bureau of the Disarmament Conference at Geneva the Soviet delegate Stein, in his speech, stated, among other things, that the Soviet delegation is convinced that general and complete disarmament is the only method which removes all discrepancies between various participants in the Conference, making real control possible and creating a real, solid, and long-continued guarantee of peace. The responsibility for the miserable results attained by the Conference cannot be attributed to the Soviet Union, he said, as its proposals were rejected an overwhelming number of times. He once more defined the Soviet Union's attitude, namely that it is prepared to agree to any reduction in existing armaments, however small this may be, under the indispensable condition that this reduction be general, generally applied to all States without exception, and compulsory upon all States neighboring on the Soviet Union.

A *Reuter* message from London April 13 stated that it was obvious that the Soviets would not consider any proposals that would place them in a position of inferiority.

Germany's Desire for Rearmament Unsettles Conference

Arthur Henderson, Chairman of the Disarmament Conference, on returning to London from Geneva April 12, said, "I must admit that opinions are still divergent as to whether the present armaments should be reduced or whether they are to be stabilized at a certain level. The matter is considerably influenced by Germany's re-armament, making the security problem more acute in the minds of several delegations."

Mr. Henderson, in the course of his speech at the opening meeting of the steering committee in Geneva April 11 referred to the storm clouds in the Far East. The Soviet delegates, he said, are now insisting upon the necessity of extending application of the Convention to all neighbors of Soviet Russia; this, undoubtedly was meant to point at Japan, whose relations with Russia recently cannot be described as friendly. The Soviet delegates also propose the immediate consideration of the paramount question of security and non-aggression. Consequently, they are urging the discussion and adoption of a rigid definition of the word "aggressor". A general feeling prevails among delegates from several countries that the security side of the convention must be stressed as well as the sanctity of the Covenant.

I. P. R. Secretary General Addresses University of Shanghai

In an address before the faculty and students of the University of Shanghai April 14, Dr. E. C. Carter, secretary-general of the Institute of Pacific Relations, among other things, said:

"In the kind of world in which we are living at present, the study of international affairs is one of the most important undertakings facing the universities of the world; and yet the developments in the relations of the Nations since the World War have revealed that the study of international affairs, unless undertaken in relationship to the internal problems of each country, may lead statesmen and cirizens astray. The negotiations following the World War were all based on the assumption that all was well in the National life of the various countries, and that if the various countries simply refrained from taking up arms against each other, the peace of the world would be assured. The Peace Conference in Paris was completely unaware of and insensitive to those forces already at work within every one of the Nations that in recent years the world had realized that there are forces other than military within the different countries that threaten the existence of the world society as dangerously as airplanes or machine guns or battleships or tanks. One clause in a tariff measure in the United States may be as deadly to a city in South America, China, or Japan, as the volleying of the most modern warship. Such factors as tariff, the unrestricted export of goods, and what is called competition or dumping, may be just as dislocating as tanks or airplanes." He described the Institute of Pacific Relations as a group a National academies for the scientific study of international affairs, established in all the countries on the Pacific Ocean. "The Institute hopes that by a scrutiny of what is called the peace machinery of the Pacific, it might discover ways in which that machinery might become more adequate to rid the Pacific and the World of War," he added. Dr. Herman C. E. Liu, president of the University, introduced the speaker.

Manchukuo Will Not Participate in Far Eastern Olympic in Manila

The Japanese Amateur Athletic Federation debated the subject of whether it would participate in the Manila Olympic games until two o'clock in the morning on April 15 and then decided that it would do so—thus receding from the position previously assumed that they would not participate unless "Manchukuo" was also admitted as a participant. The Japanese delegates, when they visited Manila several weeks ago, thought they had won over the Filipinos to their point of view; but when the delegates from China, Japan and the Philippines later assembled in Shanghai the Filipinos sided with the Chinese and voted against Manchukuo participation. The Japanese thereupon charged the Filipinos with breaking faith, and at first announced that they would not take part in the games. In the end, they changed their minds, and decided to participate—without Manchukuo. The Japanese Federation meeting in Tokyo above referred to, drew up a statement and an official reply to the Philippine members of the Far Eastern Olympic Committee. The official reply to the Philippines, after acknowledging receipt of the Philippine official message of the previous day and expressing appreciation of the unreserved effort that had been made by the Philippines for the progress of the games, went on to say that the enhancement of international friendship through sports and the maintenance of a spirit, bright and transparent, have been Japan's chief aim, but regretted that the idea has not been well understood at the round table confab at Shanghai. It further went on to say that Japan is fully aware of the difficult position in which the Philippine group had been placed.

The representatives of the Tokyo Committee of Manchukuo's Far Eastern Olympiad Preparation Committee on April 16 issued a statement expressing their deep regret for the decision taken by the Japanese Athletic Federation in agreeing to Japan's participation in the Far Eastern Olympiad this year.

The Ministry of Education April 12 despatched a telegram to the Chinese National Amateur Athletic Federation instructing the latter to remain firm in their stand against "Manchukuo" participation in the Far Eastern Olympic Games.

Indo-Japanese Trade Pact to Be Initialled Shortly

A complete agreement having been reached between the Japanese and Indian authorities in regard to the newly drafted treaty of commerce between Japan and India, the treaty is expected to be initalled in the very near future, according to S. Sawada, Japanese Chief Delegate to the negotiations.

Netherlands-Japan Parleys to Commence May 19

Trade parleys for the solution of the various pending problems between Japan and the Netherlands will commence at Batavia May 19. The Japanese delegation will leave Japan for Batavia sometime during the early part of next month, headed by Haruichi Nagaoka, formerly Japanese Ambassador to France.

Chinese Cotton Trade on the Decline

The *Central China Daily News* comments:—'Ten years ago the cotton trade in China was in its golden age. But since then it has been on the decline, particularly since the 20th Year of the Republic when Manchuria was captured by the Japanese. The trade became worse when the world economic depression seized China. With the decline of the people's purchasing power cotton found a much smaller market than it used to. Last year was bad, but the first two months this year have been the worst. While the unfavorable business conditions of the cotton trade were mainly due to the loss of Manchuria to the Japanese, thereby cutting off one-third of its market, the unsettled conditions in the country and the competition of foreign cotton are also responsible for the depression."

Gock Young Coming to China to Boost Trade With Australia

Gock Young, charman the Society of Chinese Students in Australia, and a director of Wing On Co. Ltd. at Sydney, is due to arrive in Hongkong May 10, and will later come up to Shanghai. Mr. Young is sent here by the Society of Chinese Residents in Australia, and is interested in promoting Australian trade, particularly in wheat flour and raw wool in China. Enquirers may get into touch with Mr. Young through the Wing On Co. Ltd. at Shanghai, Canton or Hongkong. The Society of Chinese Residents in Australia suggests that now is the time for China to consider the establishment of her own woollen mills. During Mr. Gock Young's twenty years in Australia, apart from promoting in every way the welfare of the Chinese community in Australia, he has made a study of all aspects of Australian trading and commercial methods and customs, and is personally well known to the leading Australian firms and merchants engaged in the important and export trade with China and the East. He is also well known to the leading political and government officials in China and also in Australia.

Mr. W. Gock Young

More Than $8,000 Contributed to Rhoda Cunningham Endowment Fund

Contributions to the Rhoda Cunningham Endowment Fund for the Shanghai American School are still coming in and up to April 17 totalled $8,311.20. In addition to the list of contributions published in *The Review* last week, the following donations have been made:

Name	Amount
W. R. Lynch	$10.00
Clarke Vyse	20.00
Miss R. E. Naylor	5.00
Dr. & Mrs. W. J. Isenman	20.00
Mr. & Mrs. R. L. Fong	10.00
T. B. Clark	15.00
L. H. Burnett	10.00
Mr. & Mrs. W. T. Goodwin	10.00
Mr. & Mrs. Wang Tsze Kong & son Buddy Wang Mang Chun	15.00
Dr. John C. H. Wu	10.00
Mr. & Mrs. M. S. Polin	20.00
E. E. Shahmoon	50.00
Julius Wadsworth	10.00
Mr. & Mrs. R. E. O'-Bogler	10.00
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Mr. & Mrs. W. P. Hunt	25.00
Wm. Cohen	10.00
Mr. & Mrs. E. O. Heuser	10.00
Mr. & Mrs. W. W. Lockwood	10.00
Mrs. Rudolph Laurenz	10.00
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Mr. & Mrs. Irving S. Brown	10.00
Mrs. Emilia, A. C. Ballentine	15.00
J. Usang Ly	10.00
Mr. & Mrs. Wm. Morris	25.00
Mr. & Mrs. Elliot Hazzard	10.00
Mr. & Mrs. M. J. Harris	10.00
Mr. & Mrs. Percy Kwok	10.00
S'hai Chapter, Daughters of American Revolution	15.00
Gen. Wen Hung-en, Commissioner, Public Safety Bureau	$20.00
Mr. & Mrs. E. A. Long	10.00
S'hai Licensed Pilots' Association	25.00
Mr. & Mrs. Clay Cunningham, Lakeland, Florida	50.00
Mr. & Mrs. Ben Cunningham, Maryville, Tennesse	50.00
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Mr. & Mrs. Lansing Hoyt	25.00
Mr. & Mrs. Lansing Hoyt, in memory of T. C. Britton	25.00
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Mayor & Mrs. Wu Teh Chen	50.00
Sterling Fessenden	25.00
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Mr. & Mrs. J. Warner Brown, in memory of T. C. Britton	10.00
Mr. & Mrs. W. J. Wen	10.00
Mr. & Mrs. Wm. T. Collins	10.00
Mr. & Mrs. Ranald McDonald	10.00
Ambassador & Mrs. Bogomoloff	50.00
Previously acknowledged	$7,881.20
Total to date...	$8,311.20

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President Roosevelt Pushes Plans for Freeing Philippines

A recent Washington message stated that plans are being worked out to grant independence to the Philippine Islands during the Roosevelt Administration. Senator Borah is in favor of freeing the Islands within two or three years. One of the first steps in this direction, it is believed, will be the withdrawal of troops from the eight principal garrisons in the archipelago and lessening of U. S. Navy activities there also. Should the naval base at Olongapo, about 50 miles north of Manila, be relinquished, Navy officers believe the Asiatic Fleet, which spends half its time in the Philipines and half in China, would be cut down. In the event of withdrawal of the American Army and Navy, it is presumed that the Philippine Scouts would be continued by the Philippine Government as its national defense forces. The Scouts are officered principally by American officers at the present time.

Japanese Competition Drives U.S. Rubber Toy Manufacturers Out of Business

James Fry, manager of the United States Toy Manufacturers' Association, in a statement in New York April 5, said that Japanese competition in rubber toys has "already forced a large number of American toy manufacturers out of business."

Hammer-and-Sickle Flag Flies in Washington Over U.S.S.R. Embassy

A thousand guests, the cream of the official and diplomatic corps in Washington, attended the house-warming party of the Soviet (former Czarist) Embassy at Washington April 11, on which the hammer-and-sickle flag has replaced the double eagle.

The Senate April 13 passed the Tax Bill providing for potential revenues of $480,000,000. It provides increased taxes on larger incomes, increases on inheritances, excise taxes on coconut oil, reductions in second class mail matter, etc.

O. P. Van Sweringen, one of the leading financiers and railroad magnates of the United States, was indicted on a charge of fraud April 13, together with Joseph R. Baldwin, former president of the defunct Union Trust Company of Cleveland, Ohio, in connection with the failure of said company last year.

President Roosevelt April 13 signed the bill stipulating that European countries which defaulted or made only token payments on their war debts to the United States shall be barred from selling bonds, or making any kind of a financial transaction with the United States.

When President Roosevelt arrived back in Washington April 13 from a fishing trip to Bermuda, two hundred Congressmen, most of them Democrats, marched to the station to welcome him headed by a scarlet-coated band of Marines.

Senator Gerald P. Nye stated in Washington April 14 that careful investigations would to made into the shipments of American arms to Colombia, Bolivia and Peru. Shipments of arms to Japan are also to be investigated.

Samuel Insull was put on board the American ship *Exilona* at Smyrna April 12 under extradition to the United States. Preparations are being made in Chicago to bring him to trial on charges (among others) to use the U.S. mails to defraud in connection with his pyramiding operations in connection with the financing of sundry public utility organizations.

American Aviators Go to Colombia—Warned by U. S. State Department

Following announcements that about 50 American aviators (pilots and mechanics) had been engaged by the Colombian Government to serve in the Colombian Army in case of war, the U. S. Department of State April 12 isssued a statement that the U S. Government is opposed to the enrolling of American citizens in a foreign army, whatever it may be, and that those who join it are taking all the risks upon themselves and cannot expect any protection on the part of their Government during the term of their engagement.

American Minister Johnson to Leave Peiping April 23 on Trip South

Nelson T. Johnson, the American Minister China, is scheduled to leave Peiping for a tour of Central China, April 23. The Minister will first proceed to Hankow by train, leaving the West Station at 11.15 p.m. on Monday night, and arriving at Hankow at 6 p.m. on Wednesday evening. After a brief stay at Hankow, the Minister will proceed to Nanking and Shanghai by steamer. The Minister plans to be absent from Peiping for about three weeks.

Sir John Simon Declines to Approach China on Manchuria Mail Issue

Sir John Simon declined in the House of Commons April 16 to state anything at this time regarding Britain's reply to China on treaty revision; he also declined, because of the political issues involved, to accept a suggestion that representations be made regarding postal facilities to China asking that mails for Europe should be transmitted via Manchuria and Dairen.

Prof. James H. Rogers Studies Silver Situation in China

Prof James Harvey Rogers, who has been sent to Shanghai by the Roosevelt administration to study the effects on China of the London Agreement and also of possible further silver legislation, has made his headquarters at the Cathay Hotel. He is assisted in his work by two secretaries, Edwin G. Arnold and Robert E. Landman; also by Prof. Dixon H. Leavens, U. S. Treasury agent. Prof. Rogers has written numerous books on economic subjects, including, "The Process of Inflation in France," and "America Weighs Her Gold." Prof. Leavens wa, for several years a member of the faculty of Yale-in-China at Changsha and is now a lecturer at the Harvard School of Business Administration. He is also an authority on silver and Chinese economic matters. It is probable that Prof. Leavens wil remain in China.

Prof. Rogers was welcomed on his arrival by John Chen Vice-Governor of the Central Bank of China and representative of Dr. H. H. Kung, Minister of Finance, who was in Nanking. He also paid an official visit to Edwin S. Cunningham, American Consul-General, April 10.

Prof. Rogers was the guest of honor at a banquet given April 12 by Minister Kung. The function was attended Sun Fo, President of the Legislative Yuan, Dr. Wang Shih-chieh, Minister of Education, Ku Meng-yu, Minister of Railways, Chen Kung-po, Minister of Industry, Dr. Chu Chin-hua, Minister of Communications, Hsu Mo, Vice-Minister of Foreign Affairs, and Dr. Willys R. Peck, American Consul-General.

Reporting the possible significance of the tour by Professor Rogers, which will include observations in Tokyo and Moscow, the Tokyo *Nichi Nichi's* correspondent at Shanghai said Japanese authorities are paying the closest attention to possible developments in the Sino-American situation as a result of Professor Rogers' visit, as it is believed that the real purpose of the visit is to inspect business and financial conditions in China and that the traveler's report will form the basis of a discussion of the American Government's fundamental policy on investments in this country—the intention of the United States being to lead other countries in investments in China.

Herbert M. Bratter Investigates Silver Situation in Japan

Simultaneously with the investigations on the silver situation being made in China, Herbert M. Bratter has been assigned as assistant Commercial Attache to the American Embassy in Tokyo. Mr. Bratter is devoting himself to a study of Japanese finance, with which subject he is familiar, having been for the past five years specialist in Far Eastern finance at the Department of Commerce in Washington. Mr. Bratter is the author of a number of books on silver, the latest one being "Silver Market Dictionary." Mr. Bratter was in China from 1921 to 1923 with the Chinese Government Bureau of Economic Information.

U. S. Silverites Determined to Pass "Good" Bill

A *United Press* message from Washington April 15 intimated that President Roosevelt is unsympathetic towards silver legislaiion but may yield to congressional pressure, particularly if necessary to insure success of his tariff plans—which he earnestly desires.

Telegrams from Washington April 15 stated that President Roosevelt is opposed to the Composite Silver Bill as it applies to the nationalization of silver. Henry T. Rainey, Speaker of the House of Representatives, quoted President Roosevelt as saying, "I am as much a silver man as you are." However, when on April 16 Speaker Rainey stated that silver legislation was not on the administration's program this session, Senator King from Utah declared that the silverites would do their best to pass a "good" silver bill, if necessary over the President's veto. The result of Speaker Rainey's announcement was a considerable drop in silver on the London and New York markets, but there was only a slight drop in Shanghai.

Chinese Ministry of Finance Appoints Currency Commission

The appointment of a Currency Commission to study currency problems and to plan for currency reforms was announced by the Ministry of Finance April 14. The new Commission is headed by Hsu Kan, Director of the Currency Department of the Ministry, and will include prominent bankers and economists, of whom the following have already been appointed: namely, Chang Kiangau, Chou Tso-min, Hu Pi-kang, Hu Meng-chia, Chu Hui, Wu Ting-chang, K. P. Chen, Tang Shou-min, Hsu Sing-loh, Chien Yung-ming, Pei Tsu-yee, Soong Tzu-liang, Shen Yuan-ting and Chin Jun-ching. It is understood that additional experts will be invited to serve on the Commission. The Commission will study matters relating to adoption of the gold standard, readjustment of old coinage, prevention of secret coinage, improvement of the mint readjustment of the silver and copper subsidiary currency in the various localities etc. The Conference will formally open at Nanking May 21. Li Ming, Manager of the Chekiang Industrial Bank at Shanghai, is to be sent abroad to study and investigate monetary systems in Europe and America.

Who's Who in China

Lin Yi-chung, Government official; born at Hopu, Kwangtung; graduate of the Canton Normal College; member and secretary of the executive committee of the Party Headquarters attached to the 11th Division of the Nationalist Army; director of the organization department of the Party Headquarters of the Canton Special Municipality; director of Party Affairs of the Canton Special Municipality; member of the executive committee of the Third Session of the Canton Party Headquarters and concurrently director of the publicity Department of the same: member of the executive committee of the Fourth Session of the Canton Party Headquarters and concurrently member of the mass training committee of the same; principal of the Provincial Middle School at Lienchow; director of municipal affairs bureau of Tsaoching Municipality; director of the political affairs department attached to the 11th Division of the Nationalist Revolutionary Army; instructor in political science of the Central Military and Political Academy at Whampoa; member of the reconstruction committee of the Canton Division of the Central Political Council; chief instructor in political science of the cadets corps of the Headquarters of the Commander-in-Chief of the 8th Route Nationalist Revolutionary army; now, member of the Kwangtung Provincial Government and concurrently Commissioner of Civil Affairs, member of the Executive Committee of the Kwangtung Provincial Party Headquarters and member of the Central Executive Committee of Kuomintang; address; Department of Civil Affairs, Kwangtung Provincial Government, Canton.

林翼中
Lin Yi-chung

林翼中，廣東合浦，廣東高等師範畢業，國民革命軍第十一師師黨部執行委員兼秘書，廣州特別市黨部改組委員兼組織部長，廣州特別市黨務指導委員兼常務委員兼民衆訓練委員會常務委員，第三屆執行委員會宣傳部長兼民衆訓練委員會常務委員，第四屆執行委員兼民衆訓練委員會常務委員，省立廉州中學校長，省立一中主任，肇慶市政局長，國民革命軍第十一師政治部主任，黃浦中央軍事政政治學校政治主任教官，廣州政治分會建設委員會委員，廣東建設討論會專門委員，國民革命軍第八路總指揮部教導隊政治總教官，廣東省政府委員會民政廳廳長，廣東省黨部執行委員，中央執行委員。

U.S. Court for China Still Without a Judge

There has so far been no action by the U.S. Senate towards confirming the appointment of Dwight Helmick from New Mexico as Judge of the U.S. Court for China, with the result that the Court has been without a Judge since February 26, when Milton D. Purdy's term of office come to a close. At about the same time, the term of Alexander Krisel, U.S. Commissioner, also come to an end. The absence of a Judge has received the attention of various local American organizations, and it is reported that both the American Chamber of Commerce and the American Bar Association have communicated with the U.S. State Department on the matter.

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Men and Events

The first number of the *Shanghai Anzeiger*, a German daily newspaper, is scheduled to appear April 21.

T. V. Soong, member of the Standing Committee of the National Economic Council, is scheduled to depart on a trip to the North-west Nov. 21.

The Nanking Women's Association has decided to despatch delegates to attend the Pan-Pacific Women's Conference to be held at San Francisco towards the end of August.

A decision was reached by Executive Yuan April 10 setting July 1 as the date for the enforcement of the Census Law.

The death occurred in London April 11 at the age of 78, of Miss Mary Moreton, a veteran missionary worker, who served in China from 1886 until 1921.

C. A. Beliel has joined Millington Ltd. as the production manager of the printing department. He formerly held a similar position with the Mercury Press.

Juichi Kitaoka, the Japanese Government's delegate to the 18th International Labor Conference, and his staff departed from Tokyo April 14 enroute to Geneva.

A National Mineralogical and Geological Exhibition will be held in June next at Tientsin under the joint auspices of the Ministries of Education and Industry.

Shao Li-tzu, Chairman of the Shensi Provincial Government, fell from his horse while riding in the outskirts of the city of Sian April 15. Both his right arm and thigh were injured.

In the native sports contest held in Tientsin April 16 an old man of 96 won the championship for target-shooting, hitting the bull's eye with his first arrow.

Sultan Ibrahim of Johore of the Malay Unfederated States and the Sultana, who had been making a pleasure trip in Japan, departed from Yokohama April 12 enroute to the United States.

The annual spring Deauville party will be held at the Columbia Country Club April 28 at 9.30 p.m. A varied program of entertainment is being arranged to continue throughout the evening. Reservation including supper, $3.00.

A recent Nanking message stated that the Foreign Office is now studying the question of the rendition of the Japanese Concession at Soochow before taking it up formally with the Japanese Government.

Chen Kung-po, Minister of Industry, departed from Shanghai for Hongkong April 18 on an inspection tour to the Netherlands Indies and the Straits Settlement for the purpose of making inquiries into the condition of Chinese in that region.

Colonel R. H. Labonne, commander of the French colonia forces in Shanghai, was slightly injured when his motorcar was struck at the intersection of Route Frelupt and Route Tenant de la Tour by another car April 15.

Over 3,000 students from 34 middle schools participated in a grand review of the students' corps which was held in Peiping April 14. General Ho Ying-chin and Mayor Yuan Liang were present and took the salute.

The death occurred April 17 at sea on board the French flag-ship *Primaguet* of Vice-Admiral Descottes-Genon, Commander-in-chief of French Naval Forces in Shanghai, just before the ship arrived in Shanghai on said date.

An unconfirmed report in the Shanghai *Shun Pao* says that Engene Chen, Foreign Minister of the now defunct Fukien People's Government, will soon leave for the Straits Settlements with his wife to engage in business.

The second anniversary of the establishment of the Central Overseas Affairs Committee was celebrated at Nanking April 16. Chen Shn-jen, the Chairman, reported on the history of the Committee since its inception and the latest developments in its administration.

The Ministry of Finance has issued an order to prohibit the export of scrap iron, brass, copper and other metals which can be used in the manufacture of firearms, adding, that all such metals will be bought by the Ministry of War at their market prices.

Mrs. Manuel L. Quezon, wife of the president of the Philippine Senate, together with a group of prominent Filipino women, passed through Shanghai on the American Mail liner *President Jefferson* during the week enroute to Japan on an extended tour.

Over 30 examination officials, including Messrs, Chen Ta-chi and Liu Cheng-yu, respectively examiner and superintendent for the Nanking Ordinary Civil Service Examinations, and Messrs. Chen Chi-tsai and Tseng Tao, respectively examiner and superintendent for the special examination for the selection of accountants for the Ministry of Communications, were formally sworn into office at National Government House in Nanking April 16. Chang Chi, member of the C. S. C., administered the oath on behalf of the Central Government.

C. Y. Chang, a recent graduate of Bethel School of Evangelism in Shanghai, will sail shortly as a missionary to the Chinese in Java, supported by Bethel congregation. He is the first Chinese foreign missionary from the Bethel Church. He was ordained Sunday, April 15 by the Rev. Andrew Gin.

E. N. Norman of the Ford Motor Co. Exports, Ltd. and Miss Grayce Lindgren of Minneapolis were married in Shanghai April 18 by the Rev. George Fitch, general secretary of the Foreign Y. M. C. A. in the apartments of Mr. and Mrs. F. E. Vincent in Haig Court. Mr. and Mrs. Norman will be at home in the Medhurst Apartments.

The Rev. K. H. Ekblad, an American attached to the China Inland Mission at Kueihua, had a narrow escape from remnants of General Sun Tien-ying's troops last week. Mr. Ekblad escaped in his motor car, his pursuers on horseback not being able to overtake him. His home in the United States is St. Paul, Minn.

Jimmy McHugh, small son of Lieutenant James M. HcHugh, intelligence officer of the Fourth Marines in Shanghai, was injured in an auto accident at the intersection of Tunsin Road and Keswick Road Shanghai April 5. The car in which young McHugh and four others were driving was hit by a truck travelling on the wrong side of the road.

A Kobe business man named Azuma Oda, at the head of a gun-smuggling gang, and 29 others, were indicted at Kobe April 10 on a charge of violating the Explosives Control Law. By taking advantage of his occupation as a repairer of rifles, Oda is declared to have smuggled 50,000 revolvers into Tsingtao and Tientsin since May, 1933.

Dr. W. Jaenicke, technical expert on civil administration from the League of Nations, who is attached to the National Economic Council, having completed his inspection of the provinces of Hunan and Hupeh, proceeded to Nanchang end of last week to visit General Chiang Kai-shek, incidentallly inspecting the civil administration in Kiangsi.

Messages from Yokohama April 12 stated that Sir Frederick Maze, Inspector General of Customs, and L. Rajchman, technical delegate of the League of Nations, passengers on the *Empress of Japan*, refused to be interviewed while they were in port. Sir Frederick is going on home leave and Mr. Rajchman is enroute to Geneva.

Y. C. Wen, director of the bureau of international telegraphs has sent notices to householders generally in Shanghai, requesting radio broadcasting receiving set-owners to register their sets with the Bureau of International Telegraphs, 255 Peking Road, Shanghai. Registration before the end of April 1934 will be free of charge, the notices state.

Commander Yunsuke Ohtani, Japanese Naval Attache in Rome, was found hanged in the bedroom of a hotel in Naples April 16 where he was staying. The Japanese officer was found in the bath-tub, partly suspended from the shower by a towel fastened around his neck, evidently a suicide. He left no letters or documents; he had just been ordered to return to Japan. A similar incident involving the suicide of the Japanese Military attache to the U.S.S.R. occurred in Moscow two years ago.

General Yang Chih, President of the Military College at Nanking and Head of the Chinese Military Mission in Europe, arrived in Paris April 11, after a tour of ten European countries where he studied the military, naval and air establishments. General Yang expects to remain in France for a month. He will then proceed to England, whence he will return to China some time in July by way of America.

A memorial service will be held on May 1 at the Ningpo Guild in the French Concession in memory of Hing Sung-mow, founder of the International Dispensary and prominent Chinese merchant of Shanghai, captured by the Japanese landing force on January 30, 1932. Mr. Hing is believed to have been killed by his Japanese captors on the following day. As no trace of his body has ever been found, the casket used in the ceremony will contain merely his clothes and hat.

Sergeant August Calestine, 28th Company, 1st Battalion of the U. S. Marine Corps, was found shot through the mouth in an apartment house near Ferry Road on the afternoon of April 11. A service revolver was found at his side at the scene of the shooting. He died two days later. Sergeant Calestine was a well-known sportsman in the marine corps and won great merit as a basketball player. Intimate friends of the deceased state that he had a love affair with a Japanese girl, Yooko Uruma; also that he had financial difficulties.

Shanghai Ratepayers Decide to Retain Orchestra

The Ratepayers (taxpayers) of Shanghai held their annual meeting in the Carlton Theater April 16. The only matter outside of routine brought up was the municipal orchestra. The ratepayers decided to retain the orchestra. The project of A. W. Beaumont and the "pro-Shanghai group" to call a special meeting was abandoned.

British Foresee Decreasing Trade with China

The principal theme of an address delivered at the annual joint meeting of the British Chamber of Commerce and the China Association (Shanghai branch) in Shanghai April 12 by R. Calder Marshall, Chairman, was the further decline in the trade between Great Britain and China during the past year, it being incidentally mentioned that Britain's share in the trade of China, in all except capital goods, would probably decline further. Among the points covered by Mr. Marshall were: Although Nanking nominally exercises control over the whole country, Kwangtung, Szechuen and many other provinces are to all intents and purposes independent, and although Nanking legislates for all, its authority is effective in four or five provinces only; the new important tariff which came into effect in 1933 is in many cases so excessive that imports have in some cases been severely curtailed and in others killed—as the tariff now stands it restricts legitimate trade and tends to encourage smuggling, which has in certain classes of goods assumed serious proportions, to the loss alike of the legitimate trade and the revenue; hitherto but little attention has been given in China to the spinning and weaving of woollen cloth but the high duties now imposed on woollen materials and the increasing demand for woollen cloth has led to the ordering of one plant and will probably encourage others to embark on the industry. Electrical plant for both lighting and industrial work has received considerable attention during the year indicating the general trend towards modern methods and modern conveniences; work on the completion of the Canton-Hankow Railway is now being actively carried on by the Ministry of Railways, a loan from the British Boxer Indemnity having been obtained last year. Reference was made to the efforts being put forth by the Minister of Railways, Dr. Koo Meng-yu, to liquidate outstanding railway obligations. Though these efforts are being still continued and though small instalments are being paid, it is unfortunate that, so far, no definite plans have been formulated providing for and securing the liquidation of the outstandings gradually and within a certain specified time; very considerable progress has been made in the building of roads and highways in every province in China. The Ministry of Communications is doing much under its energetic Minister Dr. Chu Chia-hua, to improve telephonic and telegraphic communication.

Sir John Brenan, British Consul General in Shanghai, discussed British policy in China. He denied it was a policy of scuttle, its broad lines had been laid down in the Washington Nine Power treaty and the British memorandum of December, 1926. Put very briefly, the British official attitude towards China can be summarized, he said, as one of friendliness with a desire to help her, in the words of the treaty, "to develop and maintain for herself an effective and stable government." With this aim in view the British Government had declared its intention of meeting Chinese wishes and aspirations so far as this may be possible with due regard for existing British interests.

Louis Beale, Commercial Counsellor, in the course of his remarks said the one great weakness in the trade of China is the small percentage which is taken by the export trade, which is less than half that of the import trade. There are high remittances each year from Chinese abroad, but Mr. Beale doubted whether this is more than £25,000,000 a year. That leaves another £25,000,000 to be found, and it seemed that a considerable number of the bills are not met.

H. G. W. Woodhead, in a brief speech said the danger spot at the moment is North China and until some agreement on the three most important issues between China and Manchukuo—through railway traffic, postal communication, and the Customs regime—can be effected there would always be a risk of further trouble. How much remains to make the authority of the Central Government really effective is shown, Mr. Woodhead said, by the exploits of the bloodthirsty bandit Liu Kuei-tang, who had ravaged portions of four or five Northern Provinces without being rounded up.

Fight The Depression!

Keep yourself in condition and you will better be able to weather business depression, for nothing gets a man down sooner than bad business coupled with ill-health.

To be fit, it is essential to keep the stomach and bowels in good order and to do this there is nothing better than an occasional dose of Pinkettes. This ideal laxative is non-griping and non-habit-forming, and assists nature in a perfectly natural way to cleanse the food tract regularly. For perfect health take Pinkettes, obtainable at all chemists.

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The public is hereby notified that in accordance with Government instructions the importation of maps and other printed matter of such a nature as to imply recognition of the so-called "Manchukuo" will in future be prohibited.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 14th April, 1934.

An Interesting and Useful

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"The Resignation of T. V. Soong — Is China To Be Ruled by Japanese Militarists or Chinese Communists?"

Price 20 cents

The booklet is a reprint of articles originally published in **The Review.** It's an interesting contribution on recent tendencies and developments in Far Eastern Diplomacy and is well worth reading. Send orders to the undersigned:

THE CHINA WEEKLY REVIEW

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Shanghai

New Books of Interest in the Far East

The Story of a War Correspondent

With my Own Eyes, by Frederick Palmer; Bobbs-Merrill Company, Indiapolis, Indiana, 193c. Illustrated. 369 pages with index.

This is the story of a war correspondent now over sixty years old. It is a strong plea for peace. What Frederick Palmer has seen has made him abhor war. "I saw war through all the stages from glamor to ashes; from bands playing, flags waving, swords flashing at the head of impetuous charges under the canopy of black power smoke to the regulated advance of the drab automatons at funeral pace across No Man's Land. . . . I have seen war stripped of its pageantry, the monster naked and unmasked."

Frederick Palmer started his campaigning in 1897 in Greece. He has followed Mars the world around and finally became a censor with the American forces in France in the Great War. His story of the Boxer Rebellion gives us new insight into Chinese affairs in 1900. There are things about that story that are not pleasant reading for Westerners and the author make us feel the changes wrought in part by the stern mailed fist at that time.

"Never was the white man to be so majestic on the China coast again; and that social elysium of Peking, which I saw living on the memory of the good old days in 1929, was never to be the same again. The classic mandarin, with his long finger-nails and his rich gown, was to be succeeded by the young revolutionists in Western trousers, educated at mission or foreign schools; the classic Chinese merchant was caught as flotsam on the drift of the ebb and flow of chaotic politics and the rise and fall of provincial armies."

Among the many public men Frederick Palmer met and knew in various parts of the world we find some interesting and unique characters. Among Americans Admiral Dewey is especially to be noted.

Frederick Palmer adventured in Siberia, in Mexico, in Alaska and in Europe. His eyes have seen much and his mind has learned lessons taught in the severest of all schools.

"When I was passing out of the Hotel Crillon, after my looking around at the Peace Conference, Dr. Charles H. Haskins, professor of history at Harvard, said: 'Palmer, what are you going to do now when there will be no more wars?'"

"From what I have seen of the Peace Conference," I replied, "I am convinced that more wars are already in the making . . . but I still hope."

Anyhow, hope helps to keep one young."

This book has history, adventure, biography, geography and human nature in every chapted. It is entertaining and it leaves one with a feeling of satisfaction to know that a seasoned war correspondent is against war and hatred, war's best servitor.

Shanghai, April 6, 1934. G. B. S.

Labor Conditions in U. S.

Labor and Steel, by Horace B. Davis; published by the International Publishers, New York City.

S.S. Utah, by Mike Pell; published by the International Publishers, New York City.

Labor and Steel is the sixth volume dealing with labor conditions in various American industries that has been compiled under the auspices of the Labor Research Association, and like the previous books of the series—pertaining to textiles, coal, lumber, automobiles and silk,—it is authoritative, well written, and an outstanding and original contribution to sociological literature.

Steel is the most important American industry and the key to most other major industries, and labor conditions in the steel industry are among the worst in the United States. Only in very recent years was the 12-hour day abolished. Accidents and diseases are especially pronounced, partly from the very nature of the industry, and partly because of criminal neglect on the part of the employers. Median full-time wages are today only around U.S.$21 weekly.

Mr. Davis not only gives a thorough account of wages and working conditions in the steel industry, but he also has much that is important to say about steel in American economy. Many may not be aware that today steel is being extensively replaced by aluminum, which is a much more extensive metal in the world. Alumina constitutes 8% of the earth's crust while the various oxides of iron make up only 5%. Freight cars are now being made of aluminum alloys which have the strength of structural steel but weigh only one third as much. Aluminum, especially in the form of duralumin, an alloy of aluminum, is competing with steel in the manufacture of automotive equipment, in building construction, and in the making of furniture and articles of household use. Another important fact brought out by Mr. Davis is that America's huge supplies of iron ore are being rapidly used up. Even production in the Lake Superior region is expected to show a marked drop after 1945. Today one eighth of the world's total known reserves of iron ore are in Brazil.

S.S. Utah is a fictionized account by a seaman of conditions aboard American merchant ships. Insofar as it essays to portray conditions on an American merchant ship and seaman types, it is very accurate in a photographic manner, but in showing all the sailors becoming converted to solidarity after a visit to the Soviet Union and, in consequence, organizing and wresting better conditions from the captain, it is vastly overdrawn. If seamen could be organized as easily as all that, the entire U. S. merchant marine would be Red today, whereas in sad truth, the closest connection between Marx and the bulk of American sailors is that the latter in every port do their best to "paint the town Red"—with wine, women and what might charitably be called song.

The book reminds this reviewer of Sunday school stories he used to read long, long ago. Some beautiful moral, such as "honesty is the best policy," is selected and then a story is invented to prove its accuracy. In *S.S. Utah*, the moral is somewhat different from that of Sunday School tales, but the technique is the same.

W. B.

Adventure in Indo-China

The Light in the Jungle, by Edison Marshall; H. C. Kinsey and Company, Inc., New York, 1933. 280 pages.

This is a tale of adventure in Indo-China. The son of a missionary there, now a gambler and man of the world, goes back to scene of his youth to avenge his father's death, to find his grave, and to obtain a talisman, consisting of a "rudely-carved block of pure emerald-green jade, weighing over fifty pounds."

Of course, there is an American girl, a missionary, in an isolated situation, but marvelously provided with a chaperon and plenty of leisure to follow the vagaries of the hero's journeyings. Another necessity to prevent an easy trip is found in the hatred and jealousy of a diabolically-inclined Frenchman who throws in a few extra thrills when country, climate and aborigines fail to produce enough complications to suit the author. After a good deal of improbable adventure the jade is secured, a snake helps at the finish, and the hero (as we knew he would!) wins the girl.

The book is like many others in that it imparts a Western sense of adventure into the East, failing to note the impossibilities imposed by the new setting.

March 22, 1934. G. B. S.

Appointment of Gen. Von Seeckt Is Carefully Watched by Japanese

A *Rengo* message from Tokyo April 11 stated that according to a report reaching a certain official quarter in the Japanese capital the real object of Gen. von Seeckt's revisit to China is to take up the post of Military Advisor to the Nanking Government. The message recalled that Germany had been supplying arms and military instructors to China and had been attending to the training of Chinese troops according to the German military system, which was made clear at the time the Chinese resisted the Japanese at Shanghai in 1933, when the construction of the Chinese defence posts and the way of fighting were of typically German style. The assumption of the supreme advisorship by the German war veteran at this time is being watched by the Japanese official circles concerned with no small interest, *Rengo* added.

GEN. HUANG FU RESIGNS AS JAPAN FORCES COMPLIANCE TO DEMANDS IN NORTH CHINA

(Continued from Page 287)

between Jihchao and Kiaochow. Guided by Shantung airplanes, two Central Government bombers dropped six 32-lb bombs over the bandits at Chaoho April 14. Heavy casualties were inflicted on the latter.

The bandits reached Sinying, north of Chucheng, at noon April 14. Turning north-westwards and crossing the Pai chih Ho (River) at a point 10 miles north of Chucheng, the bandits arrived at Wanchialin and Chukow, near Kaomi, Ankiu and Chucheng south of the Kiaochow-Tsinan Railway.

Nanking to Observe Party Purgation Movement Anniversary

A special meeting will be held at Central Party Headquarters on the 24th inst. in commemoration of the 7th anniversary of the Party Purgation Movement. Chen Li fu, member of the C. E. C., has been invited to deliver an address at the meeting.

A memorial service was held April 12 at the Tientsin City Party Headquarters in commemoration of the 7th Anniversary of the Party Purgation Movement.

The institution of local autonomy in the various provinces and municipalities must be completed before the opening of the 5th Plenary Session of the C. E. C. next year. A circular communication to the above effect has been issued by the Ministry of Interior.

Shih Ying, Mayor of the Nanking Municipality, who resigned from his post several months ago, but has been ordered by the Executive Yuan to remain, has returned to Nanking and resumed his office.

The Executive Yuan, at its meeting held April 10 under the chairmanship of H. H. Kung, re-appointed Chu Chia-hua,Tseng Yang-fu, Yen Ta-ching, W. S. King and N. S. Brown as members of the Board of Trustees for the Administration of the British Boxer Indemnity Refund. Dr. Chu was again designated Chairman of the Board.

According to a Paris dispatch by the *Chekiai* agency April 9, feeling is running high among the Chinese stundents and merchants in Paris over the film of Sinkiang Expedition "Croisiere Jaune" which is still on exhibtion in local theaters despite the request of the Chinese students for official protest. The Chinese community there held a mass meeting on said day and decided to stop the film from showing by all means, even if diplomatic negotiation fails. The situation is reported to be serious.

Strict military discipline must be enforced, according to an order of the Ministry of War to the military police authorities. Not only is the military police responsible for the unruly conduct of soldiers, but their superiors will likewise be punished if the military police fail to perform their duties.

Don't Wait Until You Are Crippled By Rheumatism!

Perhaps you are numbered amongst those who know the misery of rheumatism. It may be just a recurrent attack at intervals or you may never wholly be rid of it, whichever it is, unless it is eradicated it will lead to greater ills, for constant pain will eventually bring on anaemia, and this in turn produces neuralgia, dyspepsia, and other troubles resulting from an impoverished condition of the blood.

Countless sufferers from rheumatism have found relief by taking Dr. Williams' Pink Pills. When the nerves are weakened and the digestion impaired, acidity is set up in the stomach and this is the source of acid poisons which find their way into the blood and cause rheumatism. Dr. Williams' Pink Pills are unique in their ability to create new, rich, red blood which is the first essential in the treatment of rheumatism, for there can be no hope of a permanent cure if the blood is thin, weak and watery.

By their tonic action on the blood, Dr. Williams' Pink Pills have been proved by medical test to increase the quality and quantity of the blood—they are of great benefit to rheumatic sufferers. A trial will convince you. Their general strengthening effect makes them equally good for nervous complaints, digestive troubles and for the special ailments of women. Obtainable from chemists everywhere.

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THE CHINA WEEKLY REVIEW

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THE PAN-PACIFIC CULTURAL ASSOCIATION

Has reprinted for general distribution in pamphlet form the treatice by the late B. H. Chamberlain, Emeritus Professor of Japanese and Philology at the Imperial University of Tokyo, entitled,

"THE CREATION OF A NEW RELIGION"

The pamphlet contains in its 10 pages a complete exposition and analysis of Shintoism and Empire-worship, regarding which the world is now beginning to hear so much along with the so-called doctrines of Pan-Asianism and Asiatic Monroe Doctrine.

Price, including postage, 30-cents a copy. Orders sent to *The China Weekly Review* will be forwarded to the publishers for execution immediately.

Real Estate Review by Realty Investment Co.

The center of interest in Real Estate action is focused on the narrow strip of land between Nanking Road and Soochow Creek, and Tibet and Myburgh Roads.

The largest permit for the week is for a large block of houses on the area bounded by Myburgh, Tsingtao and Park Roads. The permit calls for the the immediate construction of 182 Chinese houses, 70 foreign shops and 5 gate houses. Other interesting operations in this section are the demolishing of the Gas Co. works on the West side of Tibet Road, at Soochow Creek and the demolishing of a large group of houses on the corner of Myburgh and Burkill Roads. In this same vicinity, the permit for a large department store on the corner of Nanking and Tibet Roads has recently been mentioned as well as the razing of a large block of houses on the corner of Tibet and Peking Roads with the corresponding street widening of Peking Road.

NEW BUILDING

Additional new building for which new permits have been granted are for 36 Chinese houses and 12 Chinese shops on Hart Road, between Wuting and Connaught Roads. In the same vicinity 30 Chinese houses and 5 Chinese shops on Mapei Road, near Ferry Road; Club buildings and spectators stands on Singapore Road, near the intersection of Haiphong Road; 10 Chinese shops with gate house on the corner of Ferry and Avenue Road; 2 foreign shops and 7 Chinese shops on Fokien Road, between Peking and Soochow Roads. On Avenue Edward VII, between Kiangse and Honan Roads, the large building formerly occupied by Milington, is being razed to make way for a new building.

In the Eastern District permits have been taken out for three new industrial buildings. The largest is for a new factory building and godown off Lungkow Road Extension, East of Ningkuo Road.

The second is for a glassware factory and work shed, with store room and staff quarters off Pingliang Road, near Lay Road.

The third is for a work shop off Point Road, south of East Hanbury Road.

Colds Soon Broken Up By

Baby's Own Tablets.

The popularity of Baby's Own Tablets is shared by parents and children alike for they are both easily administered and pleasant to take, furthermore, they are so thoroughly beneficial to the little ones.

Evidence of the efficacy of Baby's Own Tablets as a sterling remedy for the ailments of childhood is continually forthcoming. A letter from Mrs. Roy Herman, 108 Wood Street East, Hamilton, Ontario, Canada, is but one of the many received. Mrs. Herman writes:—"Baby's Own Tablets soon break up colds. I have found them very helpful at teething-time too."

When you see your child with a cold coming on, do not lose any time in giving Baby's Own Tablets. Equally good for the correction of constipation, colds, indigestion, sleeplessness, upset stomach, to expel worms and relieve the pains of teething, the tablets will be found of the greatest value in any home where there are children, The prescription of a physician who specialised in children's ailments Baby's Own Tablets are guaranteed free from any opiate or narcotic, and can be given with perfect safety to the youngest infant. Chemists everywhere sell them.

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The National City Bank of New York, Rates of Exchange

Shanghai, April 16, 1934

Demand selling rate on America:	U.S.$100=Sh. $289.55
Demand buying rate on America:	U.S.$100=Sh. $287.25
Demand selling rate on London:	£1 0.0.=Sh. $14.942
Demand rate on buying London:	£1.0.0=Sh. $14.826

Latest New York Stock Exchange Quotations

Market—Firm — Business Done 940,000 Shares

April, 18 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. Apr. 16	Tue. Apr. 17
13¾	8	—	Adams Express	9½	9⅛
33	11⅛	0.60	Alaska Juneau	20¾	20¾
160	70¾	6.00	Allied Chemical & Dye	148½	152
107½	19½	4.00	American Can	103	103⅞
19⅜	5⅞	—	American & Foreign Power	9⅞	10⅞
44⅞	7¼	—	American & Foreign Power 7% Pfd.	24¼	Unq.
58½	23⅝	5.00	Amer. & For. Power 5% debs. of 2030	53⅝	56⅝
27¼	3⅛	—	American Metal Company	23⅞	24¼
53½	10⅝	—	American Smelting	43¼	43⅝
134⅝	86½	9.00	American Tel. & Tel.	118⅞	120⅞
94⅝	50⅝	5.00	American Tobacco "B"	71⅛	72
43¼	10⅞	1.00	American Waterworks	20½	20⅝
80	35	6.00	American Waterworks $6 preferred	Unq.	Unq.
22⅞	5	—	Anaconda Copper	16¼	16⅜
18⅝	5⅞	—	Atlas Corporation	13¾	13⅜
84¼	31	2.00	Auburn Automobiles	48⅜	48¾
37⅝	8¼	—	Baltimore & Ohio	29	29⅛
49½	10⅝	—	Bethlehem Steel	42⅛	42⅞
37⅝	18	1.60	Borden Company	22⅞	22¾
28½	5½	0.25	Borg Warner	24½	25
20⅞	7¼	—	Canadian Pacific Railway	16⅛	16⅞
103½	30½	—	Case, J. I.	68	69¾
47⅞	16⅝	1.40	Chase National Bank	29	29⅛
52½	14⅞	2.50	Chesapeake Corporation	45¾	46⅝
59	7¾	1.00	Chrysler Corporation	52⅝	53½
46¼	25	5.50	Cities Service Power & Light 5½s/52	39¼	39
28⅞	9	0.50	Columbia Gas & Electric	15⅜	15⅝
6⅞	1⅜	—	Commonwealth & Southern	2¾	2⅝
64⅞	34½	3.00	Consolidated Gas of N. Y.	37½	37¾
21⅞	4⅞	—	Continental Oil	20½	21⅝
9	2⅝	—	Coty-Inc.	7	7
5⅛	1½	—	Curtiss Wright Company	4⅛	4⅛
102¾	32⅛	*2.00	Du Pont de Nemours	10⅝	10⅞
93¾	46	3.00	Eastman Kodak	92¼	91⅞
41⅝	10	—	Electric Bond & Share	16⅝	16¾
66¾	25	6.00	Electric Bond & Share $6 preferred	52¾	52¼
15⅞	3⅛	—	Electric Power & Light	7¼	7⅛
19¾	12	—	Fox Film "A"	15¾	16½
10¾	2⅞	—	General Aviation	6⅜	6
30¼	10½	0.40	General Electric	22¼	22½
39⅞	21	1.50	General Foods	34¼	34½
41⅞	10	*1.00	General Motors	37⅞	38⅛
49⅞	13¼	1.00	General Railway Signal	41	Unq.
27⅝	12	1.20	Gold Dust	20⅞	21⅜
47½	9¼	—	Goodyear Tire & Rubber	35½	35⅜
40	6⅛	—	International Cement	30	Uqq.
46⅛	13⅝	0.60	International Harvester	40¾	41⅜
29	6¾	—	International Nickel	27⅝	28⅛
21¾	5⅛	—	International Tel. & Tel.	14⅜	14⅛
69½	16	5.00	Int. Tel. & Tel. conv. 4½s of 1939	70⅛	70½
65¼	21¼	—	Johns Manville	57½	56⅛
26	7⅝	—	Kennecott	21	21½
79⅜	37½	2.40	Lehman Corporation	72⅞	72
99¾	40¼	*4.00	Liggett & Myers "B"	92¾	93¾
36½	8½	1.00	Loew's Inc.	33¾	34¼
25¼	10⅜	1.20	Lorillard P. (Com.)	17¾	17⅞
35⅞	8⅝	—	Montgomery Ward	30½	30¾
64½	16⅞	1.00	National City Bank (bid price)	29½	29½
41⅝	5⅝	—	National Distiller	29⅝	30½
60½	34	5.00	New England Grs & Electric 5s 1947	55	57
58½	14	—	New York Central	35¼	35⅛
36½	12¾	8%S	North American	18⅞	18¾
96¾	31½	2.00	Owens Illionois Glass	86	86½
31⅞	15	1.00	Pacific Gas & Electric	19¼	19¼
6⅞	1¾	—	Packard Motors	5¼	5¼
42½	12⅝	0.50	Pennsylvania Railroad	34⅝	34½
6¾	1½	—	Pennroad Corporation	3⅛	3⅛
20	4¾	—	Phillips Petroleum	19½	19⅝
12¼	3	—	Radio Corporation	8⅛	8¼
54¼	26½	3.00	Reynolds Tobacco "B"	43¼	43½
50⅞	12½	—	Sears Roebuck	48⅝	49½
19½	6	1.00	Socony-Vacuum Corporation	16¼	16½
28	14¼	2.00	Southern California Edison	19¼	19¾
22½	5⅛	—	Standard Gas & Electric	12¼	12⅝
79	35	6.00	Standard Gas & Elec. 6% notes 1935	79	75¾
49¾	22¾	1.00	Standard Oil Co. of N. J.	45	45⅜
60¾	46	3.80	Sterling Products	59	59⅛
9	1½	—	Studebaker	7	7
30½	10¾	1.00	Texas Corporation	26½	26⅞
9⅜	2⅝	0.12	Transamerica	6¾	6⅞
51⅞	19¾	1.00	Union Carbide & Carbon	44½	44⅝
133¾	61¼	6.00	UnionPacific	133	132
46⅞	16½	—	United Aircraft & Trans.	22¼	22¾
14¼	4⅛	—	United Corporation	6	6⅛
25	14	1.20	United Gas Improvement	16⅝	16½
25	2⅞	—	U. S. Rubber	20¾	21¼
67½	23⅝	—	U. S. Steel	51¼	51⅝
51½	21½	*2.00	Universal Leaf Tobacco	44⅝	Unq.
28⅝	7⅝	—	Vanadium	26	26⅜
9½	1	—	Warner Bros. Pictures	7¾	7¼
58¾	19¾	—	Westinghouse E. & M.	37¾	38¼
53½	25⅛	2.40	Woolworth	52⅛	53½

*Plus extras — CALL MONEY 1% 1%

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